Results for Announcement to the Market

James Hardie Industries plc

ARBN 097 829 895

Appendix 4D – Nine Months Ended 31 December 2013				
Key Information	Nine Months Ended 31 December			
	2013 US$M	2012 US$M	Movement	
Net Sales From Ordinary Activities	1,117.4	994.5	Up	12%
Profit From Ordinary Activities After Tax Attributable to Shareholders	286.3	115.0	Up	-
Net Profit Attributable to Shareholders	286.3	115.0	Up	-
Net Tangible Assets per Ordinary Share	US$0.24	US$0.18	Up	33%

Dividend Information

- A special dividend of US28.0 cents per security ("125 year anniversary special dividend") was announced in US currency and will be paid on 30 May 2014.
- The record date to determine entitlements to the 125 year anniversary special dividend is 21 March 2014 (on the basis of proper instruments of transfer received by the Company's registrar, Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney NSW 2000, Australia, by 5:00pm if securities are not CHESS approved, or security holding balances established by 5:00pm or such later time permitted by ASTC Operating Rules if securities are CHESS approved).
- An FY2014 first half ordinary dividend ("FY2014 first half dividend") of US8.0 cents per security is payable to share/CUFS holders on 28 March 2014. The record date to determine entitlements to the FY2014 first half dividend was 19 December 2013.
- The 125 year anniversary special dividend, FY2014 first half dividend and future dividends will be unfranked for Australian taxation purposes.
- The company will be required to deduct Irish DWT (currently 20% of the gross dividend amount) from these dividends and future dividends, unless the beneficial owner has completed and returned a non-resident declaration form (DWT Form).
- The Australian currency equivalent amount of the 125 year anniversary special dividend to be paid to share/CUFS holders will be announced after the record date. The amount payable to shareholders who have elected to receive their dividend in NZ dollars or British pounds will also be announced on the same date.
- The FY2014 first half dividend converts to a dividend payment of 9.0448 Australian cents.
- No dividend reinvestment plan is in operation for both the 125 year anniversary special dividend and the FY2014 first half dividend.
- The FY2013 second half ordinary dividend ("FY2013 second half dividend") of US13.0 cents per security and a special dividend ("FY2013 special dividend") of US24.0 cents per security were paid to share/CUFS holders on 26 July 2013.

Movements in Controlled Entities during the nine months ended 31 December 2013

There were no movements in controlled entities during the nine months ended 31 December 2013.

Review

The results and financial information included within this nine month report have been prepared using US GAAP and have been subject to an independent review by external auditors.

Results for the 3rd Quarter and Nine Months Ended 31 December 2013

Contents

James Hardie Industries plc is incorporated under the laws of Ireland with its corporate seat in Dublin, Ireland. The liability of members is limited. The information contained in the above documents should be read in conjunction with the James Hardie 2013 Annual Report which can be found on the company website at www.jameshardie.com.

For analyst and media enquiries, please call Sean O'Sullivan on +61 2 8845 3352

28 February 2014

3rd quarter net operating profit US$43.7m
Nine month net operating profit US$152.0m
(excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments)

James Hardie announces a 125 Year Anniversary Special Dividend of US28.0 cents per security

James Hardie today announced a US$43.7 million net operating profit, excluding asbestos, asset impairments, Australian Securities and Investments Commission ("ASIC") expenses, New Zealand product liability and tax adjustments, for the quarter ended 31 December 2013, which is a 64% increase compared to the prior corresponding quarter's US$26.7 million. For the nine months, net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments increased 39% to US$152.0 million from US$109.4 million in the prior corresponding period.

Net operating profit increased to US$92.2 million from US$31.5 million in the prior corresponding quarter, as discussed below. Net operating profit increased to US$286.3 million from US$115.0 million in the prior nine months, as discussed below.

CEO Commentary

"The third quarter results for our USA and Europe Fibre Cement segment continue to reflect increased volumes and higher average net sales price which led to a 17% increase in net sales compared to the prior corresponding quarter," said James Hardie CEO, Louis Gries.

He continued, "We continue to see improving conditions in the US housing market which led to the volume increases for the quarter and nine months. In addition to the improving market conditions, our strong position in the market, increased market penetration and higher average net sales prices resulted in USA and Europe EBIT for the quarter, excluding asset impairments, increasing 75% compared to last year. We continue to see our USA and Europe Fibre Cement segment EBIT margin within our target range at 20.2% and 21.4% for the quarter and nine months, respectively."

In this Media Release, 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 starting on page 10. 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 ("EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability", "EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability", "Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments", "Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments", "Operating profit before income taxes excluding asbestos, asset impairments and New Zealand product liability", "Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability and tax adjustments", "Adjusted EBITDA", "General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs" and "Selling, general and administrative expenses excluding New Zealand product liability"). Unless otherwise stated, results and comparisons are of the 3rd quarter and the nine months of the current fiscal year versus the 3rd quarter and the nine months of the prior fiscal year.

“Our Asia Pacific segment saw an 11% increase in EBIT excluding New Zealand product liability compared to the prior corresponding quarter despite the depreciation of the local currencies versus the US dollar,” said Mr. Gries.

“We recently recognised the company’s 125 year anniversary at all of our locations. Looking forward, the company continues to build for the future as evidenced by the recommencement of production at our Fontana, California plant in the fourth quarter of fiscal 2014 and our commitment to investing in production capacity expansions at the Plant City, Florida and Cleburne, Texas facilities. Additionally, illustrating our commitment to making returns to shareholders, the company today announced a special dividend of US28.0 cents per share (approximately US$125 million) in recognition of the company’s 125 year anniversary,” concluded Mr. Gries.

USA and Europe Fibre Cement Net Sales

During both the quarter and nine months, net sales increased due to both higher sales volume and a higher average net sales price. The increase in sales volume was primarily due to increased activity in the new construction market segment, and a modest growth in the repair and remodel market segment, as a result of improved housing market conditions and further market penetration, relative to the prior corresponding periods. The increase in the average net sales price reflects the execution of the company’s pricing strategies.

According to the US Census Bureau, single family housing starts, which are one of the key drivers of the company’s performance, were 142,800 in the December 2013 quarter, 11% above the December 2012 quarter. Industry data indicates gains in both single-family and multi-family production. This increase in activity in the US housing market follows consistent gains in builder confidence. According to the US Census Bureau, single family housing starts were 481,800 for the nine months ending 31 December 2013, 12% above the prior corresponding period.

Asia Pacific Fibre Cement Net Sales

In Australian dollars, Asia Pacific net sales increased in both the quarter and in the nine months compared to the prior corresponding periods due to an increase in sales volume, primarily driven by market growth and a higher average net sales price. Net sales in Australia increased primarily due to a higher average net sales price, however this increase was constrained by a reduction in repair and remodel market activity during both the quarter and the nine months, relative to the prior corresponding periods. In New Zealand, the increase in net sales reflects the continued increase in activity in the New Zealand housing market and a higher average net sales price compared to the prior corresponding periods.

According to Australian Bureau of Statistics data, approvals for detached houses were 26,262 for the quarter, an increase of 15%, when compared to the prior corresponding quarter. For the nine months ended 31 December 2013, approvals for detached houses were 78,326, an increase of 14%, compared to the prior corresponding period. Furthermore, in addition to the detached housing market, a key driver of sales volume for the Australian business is the repair and remodel market, which for the nine month period ended 30 September 2013 was down 4.8% from the prior corresponding period.

According to Statistics New Zealand data, the total number of dwelling consents for the quarter ended 31 December 2013 were 6,193, 32% above the prior corresponding quarter. For the nine months ended 31 December 2013, the total number of dwelling consents were

16,971, 30% above the prior corresponding period. Further, consents for dwellings excluding apartments, which are the primary driver of the New Zealand business' net sales, were 5,095 for the quarter, an increase of 20%, when compared to the prior corresponding quarter. For the nine months ended 31 December 2013, consents for dwellings excluding apartments, were 14,779, an increase of 26%, compared to the prior corresponding period.

Operating Performance

EBIT for the quarter increased from US$32.5 million in the prior corresponding quarter to US$94.8 million. EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability increased 59% to US$55.2 million during the quarter compared to US$34.7 million in the prior corresponding quarter.

EBIT for the nine months increased from US$137.8 million in the prior corresponding period to US$319.5 million. EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability increased 36% to US$195.4 million compared with US$144.0 million in the prior corresponding period.

US$ Millions	Q3 FY 2014	Q3 FY 2013	% Change	9 Months FY 2014	9 Months FY 2013	% Change
Net sales	**$ 353.2**	**$ 320.4**	**10**	**$ 1,117.4**	**$ 994.5**	**12**
Gross profit	121.5	96.2	26	380.9	317.5	20
EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	**55.2**	**34.7**	**59**	**195.4**	**144.0**	**36**
AICF SG&A expenses	(0.4)	(0.5)	20	(1.4)	(1.2)	(17)
Asbestos adjustments	35.8	11.7		126.2	14.5	
ASIC expenses	-	(0.1)		-	(0.5)	
New Zealand product liability benefit (expenses)	4.2	(7.5)		(0.7)	(13.2)	
Asset impairments	-	(5.8)		-	(5.8)	
EBIT	**94.8**	**32.5**		**319.5**	**137.8**	
Net interest (expense) income	(0.4)	2.1		(0.7)	2.3	
Other income	1.2	0.5		1.4	1.2	17
Income tax expense	(3.4)	(3.6)	6	(33.9)	(26.3)	(29)
Net operating profit	**92.2**	**31.5**		**286.3**	**115.0**	
Diluted earnings per share (US cents)	21	7		64	26	

USA and Europe Fibre Cement EBIT

USA and Europe Fibre Cement EBIT excluding asset impairments for the quarter increased 75% from US$30.4 million in the prior corresponding quarter to US$53.1 million. EBIT margin excluding asset impairments for the quarter was 6.7 percentage points higher at 20.2%.

For the nine months, USA and Europe Fibre Cement EBIT excluding asset impairments increased 44% from US$124.7 million in the prior corresponding period to US$179.8 million. For the nine months, EBIT margin excluding asset impairments was 3.9 percentage points higher at 21.4%

For both the quarter and the nine months ended 31 December 2013, EBIT was favourably impacted primarily by higher volume, a higher average net sales price and lower production costs, partially offset by an increase in SG&A.

Asia Pacific Fibre Cement EBIT

Asia Pacific Fibre Cement EBIT excluding New Zealand product liability for the quarter increased 11% from US$19.2 million in the prior corresponding quarter to US$21.3 million. In Australian dollars, Asia Pacific Fibre Cement EBIT excluding New Zealand product liability for the quarter increased 21%. EBIT margin excluding New Zealand product liability was 3.5 percentage points higher for the quarter at 23.5%.

Asia Pacific Fibre Cement EBIT including New Zealand product liability for the quarter increased from US$11.7 million in the prior corresponding quarter to US$25.5 million. EBIT margin including New Zealand product liability was 15.9 percentage points higher at 28.1%.

For the nine months ended 31 December, Asia Pacific Fibre Cement EBIT excluding New Zealand product liability increased 11% from US$58.2 million to US$64.5 million. In Australian dollars, Asia Pacific Fibre Cement EBIT excluding New Zealand product liability increased 21% compared to the prior corresponding period. EBIT margin excluding New Zealand product liability was 2.4 percentage points higher for the nine months at 23.2%.

Asia Pacific Fibre Cement EBIT including New Zealand product liability increased from US$45.0 million in the prior corresponding nine months to US$63.8 million. EBIT margin was 6.8 percentage points higher at 22.9%.

Net Operating Profit

Net operating profit for the quarter was US$92.2 million, compared to US$31.5 million for the prior corresponding quarter. Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments increased 64% from US$26.7 million in the prior corresponding quarter to US$43.7 million in the current quarter, as shown in the table below.

For the nine months, net operating profit was US$286.3 million, compared to US$115.0 million for the prior corresponding period. Net operating profit excluding asbestos, assets impairments, ASIC expenses, New Zealand product liability and tax adjustments increased 39% to US$152.0 million from US$109.4 million in the prior corresponding period, as shown in the table below.

US$ Millions	Q3 FY 2014	Q3 FY 2013	% Change	9 Months FY 2014	9 Months FY 2013	% Change
Net operating profit	$ 92.2	$ 31.5		$ 286.3	$ 115.0	
Excluding:						
Asbestos:						
Asbestos adjustments	(35.8)	(11.7)		(126.2)	(14.5)	
AICF SG&A expenses	0.4	0.5	(20)	1.4	1.2	17
AICF interest income	(0.6)	(3.4)	82	(2.4)	(5.6)	57
Asset impairments	-	5.8		-	5.8	
ASIC expenses	-	0.1		-	0.5	
New Zealand product liability (benefit) expenses	(4.2)	7.5		0.7	13.2	(95)
Asbestos and other tax adjustments	(8.3)	(3.6)		(7.8)	(6.2)	(26)
Net operating profit excluding asbestos, ASIC expenses, New Zealand product liability and tax adjustments	**$ 43.7**	**$ 26.7**	**64**	**$ 152.0**	**$ 109.4**	**39**
Diluted earnings per share excluding asbestos, ASIC expenses, New Zealand product liability and tax adjustments (US cents)	10	6	67	34	25	36

Capacity Expansion

The company is proceeding with its previously announced plans to increase the production capacity of the USA and Europe Fibre Cement segment. These plans now include:

- a fourth sheet machine and ancillary facilities at the company's Plant City, Florida location with an estimated investment of US$65.0 million with nominal capacity of 300 mmsf[1]; and
- a third sheet machine and ancillary facilities at the company's Cleburne, Texas location with an estimated investment of US$37.0 million with nominal capacity of 200 mmsf[1]

The company continues to refurbish its Fontana, California plant at a cost of US$37.9 million to date. The company intends recommencement of production in the fourth quarter of fiscal 2014 with a nominal capacity of 250 mmsf[1].

[1] Nominal capacities are based on production of 5/16" HardieZone 10 product, without regard to actual or anticipated product mix.

The company expects both the Plant City and Cleburne projects to be commissioned by the first half of fiscal 2015.

As previously announced during the first quarter of fiscal year 2014, the company completed the purchase of the previously-leased land and buildings at the Carole Park, Brisbane plant prior to capital expenditure and commercial investments to increase the plant's production capacity at a total estimated cost of approximately A$89.0 million.

Cash Flow

Net operating cash flow increased for the nine months from US$83.3 million in the period to US$254.7 million primarily due to the following:

- prior year non-recurring tax payment of US$81.3 million which arose from the favourable conclusion of RCI's disputed fiscal year 1999 amended tax assessment with the ATO;
- a decrease in the company's contribution to AICF from US$45.4 million in the prior corresponding nine months ended 31 December 2012 to nil in the nine months ended 31 December 2013; and
- higher earnings net of asbestos adjustments.

For the nine months ended 31 December 2013, net capital expenditure for the purchase of property, plant and equipment increased to US$67.9 million from US$41.3 million in the prior corresponding period. The increase in net capital expenditure is primarily a result of the purchase of the previously leased land and buildings located at the company's Carole Park, Brisbane plant and refurbishment of idled manufacturing assets at the Fontana, California plant. In addition, in December 2013, the Company acquired the assets of a US business engaged in the research, development and manufacturing of fibreglass windows.

Dividends paid during the nine months ended 31 December decreased to US$163.6 million, reflecting a payment of US37.0 cents per security, compared to US$166.4 million in the prior corresponding period, reflecting a payment of US38.0 cents per security.

Outlook

The US operating environment continues to reflect an increasing number of housing starts and improving house values. According to the US Census Bureau, the single family building permits were 482,600 for the nine months ended 31 December 2013, an increase of 18% from the prior corresponding period, and multi-family building permits were 279,000, an increase of 12%, relative to the prior corresponding period.

Given the further improvement in underlying market demand and the financial performance of the US and Europe Fibre Cement segment year-to-date, EBIT-to-revenue margin in the segment is expected to be above 20% for fiscal year 2014, absent the occurrence of major external factors that could adversely impact the US operating environment in the fourth quarter of the fiscal year.

In Australia, approvals for detached houses and the repair and remodel market are key indicators of underlying demand for our business. For the nine months ended 31 December 2013, approvals for detached houses were 78,326, an increase of 14% compared to the prior corresponding period, whilst the overall repair and remodel market was down 4.8% for the nine month period ended 30 September 2013 (the most recently available statistical data from the Australian Bureau of Statistics) when compared to the prior corresponding period. Accordingly, net sales from the Australian business is expected to track in line with any growth in the detached housing market and impacted by any positive or negative movement of the repair and remodel market.

The New Zealand business continues to deliver improved results supported by a stronger local housing market, particularly in the Auckland and Christchurch areas, when compared with recent years.

Full Year Earnings Guidance

Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2014 is between US$189 million and US$202 million. Management expects full year earnings excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments to be between US$190 million and US$200 million assuming, among other things, housing industry conditions in the United States continue to improve and that an average exchange rate of approximately US$0.89/A$1.00 applies for the balance of the year ending 31 March 2014.

The comparable net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments for fiscal year 2013 was US$140.8 million.

Management cautions that although US housing activity has been improving for some time, market conditions remain somewhat uncertain and some input costs remain volatile.

The Company is unable to forecast the comparable US GAAP financial measure due to uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods.

Shareholder Returns

125 Year Anniversary Special Dividend

The company announced today a special dividend of US 28.0 cents per security ("125 year anniversary special dividend"). The 125 year anniversary special dividend was announced in US currency and will be paid on 30 May 2014, with a record date of 21 March 2014.

FY2014 First Half Dividend

On 14 November 2013, the Company announced an ordinary dividend of US8.0 cents per security ("FY2014 first half dividend") compared with US5.0 cents per security in the prior corresponding period. The FY2014 first half dividend was announced in US currency and will be paid on 28 March 2014, with a record date of 19 December 2013. At 31 December 2013, the Company has accrued US$35.5 million in Dividends Payable.

Irish Dividend Withholding Tax

The company will deduct Irish Dividend Withholding Tax ("DWT") (currently 20% of the gross dividend amount) from the FY2014 first half dividend, the 125 year anniversary special dividend, and any future dividend, unless the beneficial owner has completed and returned a non-resident declaration form ("DWT Form") prior to payment.

In general, beneficial owners, superannuation funds and pension funds who are resident for tax purposes in Australia, New Zealand, the United States and the United Kingdom and who return a validly completed DWT Form will be exempt from Irish DWT. The DWT Form is required to be completed and signed by the beneficial owner, who may be different from the registered shareholder.

Shareholders who have not completed a DWT Form may be able to claim a refund of Irish DWT (by way of a euro-denominated payment) directly from Irish Revenue.

Share Buyback

In May 2013, the company announced a new share buyback program to acquire up to 5% of its issued capital. During the three months ended 31 December 2013, the company repurchased and cancelled 305,153 shares of its common stock, with an aggregate cost of A$3.5 million (US$3.3 million), at an average market price of A$11.60 (US$10.52). For the nine months ended 31 December 2013, the company repurchased and cancelled a total of 526,153 shares of its common stock, with an aggregate cost of A$5.5 million (US$5.1 million), at an average market price of A$10.51 (US$9.60).

Subsequent to 31 December 2013, the Company acquired an additional 613,061 shares of its common stock, with an aggregate cost of A$8.1 million (US$7.2 million), at an average market price of A$13.17 (US$11.73).

The company expects to be in a position to make further distributions to shareholders as follows:

1) subject to share price levels, the company intends to continue to repurchase shares under the existing share buyback program, which expires in May 2014; and
2) to the extent the company does not complete the full amount of the current share buyback during FY2014 the company will consider further distributions by way of dividends to shareholders over and above those contemplated under the company's ordinary dividend policy subject to:
   - an assessment of the current and expected industry conditions in the group's major markets of the US and Australia;
   - an assessment of the group's capital requirements, especially for funding of expansion and growth initiatives;
   - global economic conditions and outlook; and
   - total net operating profit (excluding asbestos adjustments) for fiscal year 2014.

Further Information

Readers are referred to the company's Condensed Consolidated Financial Statements and Management's Analysis of Results for the period ended 31 December 2013 for additional information regarding the company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.

Changes in the company's asbestos liability (including to reflect changes in foreign exchange rates), New Zealand product liability, income tax related issues and other matters referred to in the disclaimer at the end of this document may have a material impact on the company's Condensed Consolidated Financial Statements.

Readers are referred to Notes 7, 9 and 10 of the company's 31 December 2013 Condensed Consolidated Financial Statements for more information regarding the company's asbestos liability, New Zealand product liability and income tax related issues, respectively.

END

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This Media Release forms part of a package of information about the company's results. It should be read in conjunction with the other parts of the package, including Management's Analysis of Results, the Management Presentation and the Condensed Consolidated Financial Statements. These documents, along with an audio webcast of the Management Presentation of 28 February 2014, are available from the Investor Relations area of James Hardie's website at: www.jameshardie.com

The company routinely posts information that may be of importance to investors in the Investor Relations section of its website, including press releases, financial results and other information. The company encourages investors to consult this section of its website regularly.

The company filed its annual report on Form 20-F for the year ended 31 March 2013 with the SEC on 27 June 2013.

All holders of the company's securities may receive, on request, a hard copy of our complete audited Consolidated Financial Statements, free of charge. Requests can be made via the Investor Relations area of the company's website or by contacting one of the company's corporate offices. Contact details are available on the company's website.

Definitions

Non-financial Terms

ABS – Australian Bureau of Statistics.

AFFA – Amended and Restated Final Funding Agreement.

AICF – Asbestos Injuries Compensation Fund Ltd.

ASIC – Australian Securities and Investments Commission.

ATO – Australian Taxation Office.

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

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

Financial Measures – US GAAP equivalents

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

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

Sales Volume

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

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

Financial Ratios

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

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

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

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

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

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

Non-US GAAP Financial Measures

EBIT and EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability – EBIT and EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability 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 focussed 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
EBIT	$ 94.8	$ 32.5	$ 319.5	$ 137.8
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
Asset impairments	-	5.8	-	5.8
ASIC expenses	-	0.1	-	0.5
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	55.2	34.7	195.4	144.0
Net sales	$ 353.2	$ 320.4	$ 1,117.4	$ 994.5
EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	15.6%	10.8%	17.5%	14.5%

Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments – Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Net operating profit	$ 92.2	$ 31.5	$ 286.3	$ 115.0
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
AICF interest income	(0.6)	(3.4)	(2.4)	(5.6)
Asset impairments	-	5.8	-	5.8
ASIC expenses	-	0.1	-	0.5
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
Asbestos and other tax adjustments	(8.3)	(3.6)	(7.8)	(6.2)
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	$ 43.7	$ 26.7	$ 152.0	$ 109.4

Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments – Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	$ 43.7	$ 26.7	$ 152.0	$ 109.4
Weighted average common shares outstanding - Diluted (millions)	445.2	440.3	444.2	439.0
Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments (US cents)	10	6	34	25

Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability and tax adjustments – Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Operating profit before income taxes	$ 95.6	$ 35.1	$ 320.2	$ 141.3
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
AICF interest income	(0.6)	(3.4)	(2.4)	(5.6)
Asset impairments	-	5.8	-	5.8
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
Operating profit before income taxes excluding asbestos, asset impairments and New Zealand product liability	$ 55.4	$ 33.8	$ 193.7	$ 141.4
Income tax expense	(3.4)	(3.6)	(33.9)	(26.3)
Asbestos-related and other tax adjustments	(8.3)	(3.6)	(7.8)	(6.2)
Income tax expense excluding tax adjustments	(11.7)	(7.2)	(41.7)	(32.5)
Effective tax rate	3.6%	10.3%	10.6%	18.6%
Effective tax rate excluding asbestos, asset impairments, New Zealand product liability, and tax adjustments	21.1%	21.3%	21.5%	23.0%

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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
EBIT	$ 94.8	$ 32.5	$ 319.5	$ 137.8
Depreciation and amortisation	15.6	17.3	46.2	48.0
Adjusted EBITDA	$ 110.4	$ 49.8	$ 365.7	$ 185.8

General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs – General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than general corporate costs. 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
General corporate costs	$ 12.8	$ 8.2	$ 30.9	$ 20.3
Excluding:				
ASIC expenses	-	(0.1)	-	(0.5)
Intercompany foreign exchange gain	-	-	-	5.5
Recovery of RCI legal costs	-	-	-	2.7
General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs	$ 12.8	$ 8.1	$ 30.9	$ 28.0

<u>Selling, general and administrative expenses excluding New Zealand product liability</u> – Selling, general and administrative expenses excluding New Zealand product liability 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Selling, general and administrative expenses	$ 53.8	$ 59.7	$ 162.5	$ 160.6
Excluding:				
New Zealand product liability benefit (expenses)	4.2	(7.5)	(0.7)	(13.2)
Selling, general and administrative expenses excluding New Zealand product liability	$ 58.0	$ 52.2	$ 161.8	$ 147.4
Net Sales	$ 353.2	$ 320.4	$ 1,117.4	$ 994.5
Selling, general and administrative expenses as a percentage of net sales	15.2%	18.6%	14.5%	16.1%
Selling, general and administrative expenses excluding New Zealand product liability as a percentage of net sales	16.4%	16.3%	14.5%	14.8%

Forward-Looking Statements

This Management's Analysis of Results 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 with respect to the introduction of new products, product lines and businesses;
- 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, closure, opening or expansion of operations at any of the company's plants and future plans with respect to any such plants;
- 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 as to the possible consequences of proceedings brought against the company and certain of its former directors and officers by the Australian Securities and Investments Commission (ASIC);
- statements regarding the possible consequences, value, impact or effect of the Settlement Deed resolving the legal proceedings brought by the New Zealand Ministry of Education against two of the company's New Zealand subsidiaries;
- expectations about the timing and amount of contributions to Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations;
- expectations concerning the adequacy of the company's warranty provisions and estimates for future warranty-related costs;
- statements regarding the company's ability to manage legal and regulatory matters (including but not limited to product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic conditions, such as changes in the US economic or housing recovery or changes in the market conditions in the Asia Pacific region, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

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

Forward-looking statements are based on the company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the company's control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under "Risk Factors" in Section 3 of the Form 20-F filed with the Securities and Exchange Commission on 27 June 2013, 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.

28 February 2014

James Hardie Industries plc
Results for the 3rd Quarter and Nine Months Ended 31 December 2013

US GAAP - US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY14	Q3 FY13	% Change	9 Months FY14	9 Months FY13	% Change
Net Sales						
USA and Europe Fibre Cement	$ 262.6	$ 224.5	17	$ 839.4	$ 714.6	17
Asia Pacific Fibre Cement	90.6	95.9	(6)	278.0	279.9	(1)
Total Net Sales	**$ 353.2**	**$ 320.4**	**10**	**$ 1,117.4**	**$ 994.5**	**12**
Cost of goods sold	(231.7)	(224.2)	(3)	(736.5)	(677.0)	(9)
Gross Profit	**121.5**	**96.2**	**26**	**380.9**	**317.5**	**20**
Selling, general and administrative expenses	(53.8)	(59.7)	10	(162.5)	(160.6)	(1)
Research & development expenses	(8.7)	(9.9)	12	(25.1)	(27.8)	10
Asset impairments	-	(5.8)		-	(5.8)	
Asbestos adjustments	35.8	11.7		126.2	14.5	
EBIT	**94.8**	**32.5**		**319.5**	**137.8**	
Net interest (expense) income	(0.4)	2.1		(0.7)	2.3	
Other income	1.2	0.5		1.4	1.2	17
Operating profit before income taxes	95.6	35.1		320.2	141.3	
Income tax expense	(3.4)	(3.6)	6	(33.9)	(26.3)	(29)
Net operating profit	**$ 92.2**	**$ 31.5**		**$ 286.3**	**$ 115.0**	
Earnings per share - diluted (US cents)	**21**	**7**		**64**	**26**	
Volume (mmsf)						
USA and Europe Fibre Cement	389.2	351.1	11	1,263.5	1,108.7	14
Asia Pacific Fibre Cement	100.3	100.2	-	310.3	297.5	4
Average net sales price per unit (per msf)						
USA and Europe Fibre Cement	US$659	US$628	5	US$651	US$632	3
Asia Pacific Fibre Cement	A$963	A$912	6	A$937	A$904	4

In this Management's Analysis of Results, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document starting on page 17. 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 ("EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability", "EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability", "Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability, and tax adjustments", "Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability, and tax adjustments", "Operating profit before income taxes excluding asbestos, asset impairments, and New Zealand product liability", "Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability, and tax adjustments", "Adjusted EBITDA", "General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs" and "Selling, general and administrative expenses excluding New Zealand product liability". Unless otherwise stated, results and comparisons are of the third quarter and the nine months of the current fiscal year versus the third quarter and the nine months of the prior fiscal year.

Total Net Sales

Total net sales for the quarter increased 10% compared to the prior corresponding quarter from US$320.4 million to US$353.2 million. For the nine months, total net sales increased 12% from US$994.5 million to US$1,117.4 million.

For the quarter and nine months, net sales in local currencies were favourably impacted by higher sales volumes and higher average net sales prices in both the USA and Europe and the Asia Pacific Fibre Cement segments.

Average Net Sales Price

As previously disclosed in the previous quarter of fiscal year 2014, the company refined its methodology for calculating average net sales price in both the USA and Europe and Asia Pacific Fibre Cement segments to exclude ancillary products that have no impact on fibre 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 fibre cement business, which is a key segment performance indicator.

The company has restated average net sales price in the prior corresponding quarter and nine months to conform with the current quarter and nine months calculation of average net sales price. Readers are referred to the Five Year Financial Summary on the company's Investor Relations website at http://www.ir.jameshardie.com.au/jh/results_briefings.jsp for the revised comparative average net sales price for the periods FY2009 through FY2013 using this revised methodology.

USA and Europe Fibre Cement

Quarter

Net sales increased 17% from US$224.5 million to US$262.6 million due to higher sales volume and a higher average net sales price. Sales volume increased 11% from 351.1 million square feet in the prior corresponding quarter to 389.2 million square feet. The increase in sales volume was primarily due to increased activity in the new construction market segment and a modest growth in the repair and remodel market segment, as a result of improved housing market conditions and further market penetration, relative to the prior corresponding quarter.

The average net sales price increased 5% from US$628 per thousand square feet to US$659 per thousand square feet, reflecting the ongoing execution of the company's pricing strategies.

Nine Months

Net sales increased 17% from US$714.6 million to US$839.4 million due to higher sales volume and a higher average net sales price. Sales volume increased 14% from 1,108.7 million square feet to 1,263.5 million square feet. The increase in sales volume was primarily due to increased activity in the new construction market segment, increased market penetration, and modest growth in the repair and remodel market segment, relative to the prior corresponding period.

The average net sales price increased 3% from US$632 per thousand square feet to US$651 per thousand square feet, reflecting the ongoing execution of the company's pricing strategies and also the reduction of pricing inefficiencies, when compared to the prior corresponding period.

US Housing Statistics

According to the US Census Bureau, single family housing starts, which are one of the key drivers of the company's performance, were 142,800 in the December 2013 quarter, 11% above the December 2012 quarter. Industry data indicates gains in both single-family and multi-family production. This increase in activity in the US housing market follows consistent gains in builder confidence. According to the US Census Bureau, single family housing starts were 481,800 for the nine months ending 31 December 2013, 12% above the prior corresponding period.

Asia Pacific Fibre Cement

Quarter

Net sales decreased 6% to US$90.6 million compared with US$95.9 million in the prior corresponding quarter. In Australian dollars, net sales increased 6% due to higher average net sales price relative to the prior corresponding quarter. The increase in Australian dollar net sales during the quarter was unfavourably impacted by an 12% depreciation in the Australian dollar/US dollar average exchange rate, leading to a reduction in US dollar net sales in the third quarter of the current fiscal year, relative to the prior corresponding quarter.

The average net sales price increased 6% from A$912 per thousand square feet to A$963 per thousand square feet, primarily reflecting product-specific price increases compared to the prior corresponding quarter.

Nine Months

Net sales decreased 1% to US$278.0 million compared with US$279.9 million in the prior corresponding period. In Australian dollars, net sales increased 7% due to increased sales volume and a higher average net sales price, relative to the prior corresponding period. The increase in Australian dollar net sales during the period was unfavourably impacted by an 8% depreciation in the Australian dollar/US dollar average exchange rate, leading to a reduction in US dollar net sales relative to the prior corresponding period.

The average net sales price increased 4% from A$904 per thousand square feet to A$937 per thousand square feet, primarily reflecting product-specific price increases compared to the prior corresponding period.

Regional Discussion

In Australian dollars, Asia Pacific net sales increased in both the quarter and in the nine months compared to the prior corresponding periods due to an increase in sales volume, primarily driven by market growth, and a higher average net sales price. Net sales in Australia increased primarily due to a higher average net sales price, however this was constrained by a reduction in repair and remodel market activity during both the quarter and the nine months, relative to the prior corresponding periods. The increase in New Zealand net sales reflects the continued increase in activity in the New Zealand housing market and a higher average net sales price compared to the prior corresponding periods.

Australia and New Zealand Housing Statistics

According to Australian Bureau of Statistics data, approvals for detached houses were 26,262 for the quarter, an increase of 15%, when compared to the prior corresponding quarter. For the nine months ended 31 December 2013, approvals for detached houses were 78,326, an increase of 14%, compared to the prior corresponding period. Furthermore, in addition to the detached housing market, a key driver of sales volume for the Australian business is the repair and remodel market, which for the nine month period ended 30 September 2013 was down 4.8% from the prior corresponding period.

According to Statistics New Zealand data, the total number of dwelling consents for the quarter ended 31 December 2013 were 6,193, 32% above the prior corresponding quarter. For the nine months ended 31 December 2013, the total number of dwelling consents were 16,971, 30% above the prior corresponding period. Further, consents for dwellings excluding apartments, which are the primary driver of the New Zealand business' net sales, were 5,095 for the quarter, an increase of 20%, when compared to the prior corresponding quarter. For the nine months ended 31 December 2013, consents for dwellings excluding apartments, were 14,779, an increase of 26%, compared to the prior corresponding period.

Gross Profit

Quarter

Gross profit for the quarter increased 26% from US$96.2 million in the prior corresponding quarter to US$121.5 million. The gross profit margin increased 4.4 percentage points from 30.0% to 34.4%.

USA and Europe Fibre Cement gross profit increased 37% and gross margin increased 4.8 percentage points compared to the prior corresponding quarter. Gross margin was favourably impacted by 3.5 percentage points due to an increase in the average net sales price and by 1.1 percentage points due to an improvement in production costs. Production costs were favourable due to economies of scale achieved through 11% increase in volume, partially offset by increases in input costs and idle facility costs. The increase in idle facility costs was primarily a result of the company's continued efforts to recommence production at the Fontana, California plant.

In US dollars, Asia Pacific Fibre Cement gross profit increased 4% and gross margin increased 3.3 percentage points compared to the prior corresponding quarter. In Australian dollars, gross profit increased 17% and gross margin increased 3.3 percentage points. In Australian dollars, gross margin was favourably impacted by 3.6 percentage points, due to higher average net sales price and 0.3 percentage points due to higher volume. These movements were partially offset by 0.7 percentage points due to unfavourable movements in product mix. The increase in Australian dollar gross profit during the quarter was partially offset by a 12% depreciation in the Australian dollar/US dollar average exchange rate, leading to a reduction in US dollar gross profit in the third quarter of the current year relative to the prior corresponding quarter.

At US$983 per ton, the average Northern Bleached Softwood Kraft ("NBSK") pulp price for the quarter was 14% higher than in the prior corresponding quarter.

Nine Months

Gross profit for the nine months increased 20% from US$317.5 million in the prior corresponding period to US$380.9 million. The gross profit margin increased 2.2 percentage points from 31.9% to 34.1%.

USA and Europe Fibre Cement gross profit increased 25% and gross margin increased 2.1 percentage points, compared to the prior corresponding period. Gross margin was favourably impacted by 2.1 percentage points due to an increase in the average net sales price, partially offset by 0.3 percentage points due to higher production costs. Production costs were unfavorable due to increases in input costs and idle facility costs, partially offset by economies of scale achieved through 14% increase in volume. The increase in idle facility costs was primarily a result of the company's continued efforts to recommence production at the Fontana, California plant.

In US dollars, Asia Pacific Fibre Cement gross profit for the nine months increased 7% and gross margin increased 2.5 percentage points compared to the prior corresponding period. In Australian dollars, gross profit increased 16% and gross margin increased 2.5 percentage points. Gross margin was favourably impacted by 1.9 percentage points due to lower manufacturing costs and 1.4 percentage points due to a higher average net sales price. These favourable movements were partially offset by 0.4 percentage points due to unfavourable movements in product mix and 0.3 percentage points increase due to an increase in input costs. The increase in Australian dollar gross profit during the nine months was partially offset by a 8% depreciation in the Australian dollar/US dollar average exchange rate, leading to a reduction in US dollar gross profit in the nine months ended 31 December 2013 compared to the nine months ended 31 December 2012.

For the nine months, the average NBSK pulp price was US$956 per ton, an increase of 10% compared to the prior corresponding period.

Selling, General and Administrative ("SG&A") Expenses

Quarter

SG&A expenses decreased 10% from US$59.7 million in the prior corresponding quarter to US$53.8 million, primarily due to a decrease in legacy New Zealand product liability from US$7.5 million expense in the prior corresponding quarter to US$4.2 million benefit driven by favourable settlements during the current quarter. These legacy product liabilities are related to claims for buildings that were constructed during calendar years 1998 to 2004. This favourable impact was partially offset by a US$4.6 million increase in general corporate costs, from US$8.2 million in the prior corresponding quarter to US$12.8 million.

As a percentage of sales, SG&A expenses decreased from 18.6% in the prior corresponding quarter to 15.2%. Excluding New Zealand product liability, SG&A expenses as a percentage of sales increased from 16.3% to 16.4% in the prior corresponding quarter.

SG&A expenses for the quarter included non-claims handling related operating expenses for AICF of US$0.4 million, compared to US$0.5 million in the prior corresponding quarter.

General Corporate Costs

General corporate costs increased by US$4.6 million to $12.8 million from $8.2 million in the prior corresponding quarter primarily driven by an increase in salary and related compensation expenses of US$4.0 million. The increase in salary and compensation expenses was primarily driven by higher stock compensation expense and higher company performance-based incentive bonuses.

Nine Months

SG&A expenses increased US$1.9 million from US$160.6 million in the prior corresponding period to US$162.5 million, primarily due to a US$10.6 million increase in general corporate costs, and a US$3.2 million increase in advertising and general administrative costs; partially offset by a decrease in the New Zealand product liability expense of US$12.5 million.

As a percentage of sales, SG&A expenses decreased from 16.1% in the prior corresponding period to 14.5%. Excluding New Zealand product liability, SG&A expenses as a percentage of sales decreased from 14.8% in the prior corresponding period to 14.5%.

SG&A expenses for the nine months ended 31 December 2013, included non-claims handling related operating expenses for AICF of US$1.4 million, compared to US$1.2 million in the prior corresponding period.

General Corporate Costs

General corporate costs for the prior corresponding period were favourably impacted by a recovery of legal costs of US$2.7 million in the second quarter, ASIC expenses of US$0.5 million, and a foreign exchange gain of US$5.5 million in the first quarter following the conclusion of RCI's disputed fiscal year 1999 amended tax assessment with the ATO. Excluding ASIC expenses, the recovery of legal costs, and the foreign exchange gain, general corporate costs for the nine months increased from US$28.0 million in the prior corresponding period to US$30.9 million. The increase in general corporate costs was primarily due to a US$3.7 million increase in salary and related compensation expenses primarily driven by higher company performance-based incentive bonuses; partially offset by a $1.2 million decrease in professional fees compared with the corresponding period.

New Zealand Ministry of Education Representative Action

On 16 April 2013, the New Zealand Ministry of Education and other related plaintiffs initiated a 'representative action' in the New Zealand High Court against four building material manufacturers, including two of the company's New Zealand subsidiaries, in relation to several thousand New Zealand school buildings. The New Zealand Ministry of Education and other plaintiffs alleged that the cladding systems used on school buildings were defective and asserted claims of negligence, negligent misstatement, negligent failure to warn, and breach of both the New Zealand Consumer Guarantees Act 1993 and Fair Trading Act 1986. On 23 December 2013, the company finalised a commercial settlement with the New Zealand Ministry of Education in relation to these claims, the specific details of which the parties agreed to keep confidential. As part of the settlement, the New Zealand Ministry of Education agreed to discontinue the claims made against the company's two New Zealand subsidiaries. The settlement did not have a material adverse effect on the company's financial position, results of operations, or cash flows.

Readers are referred to Note 9 of the company's 31 December 2013 Condensed Consolidated Financial Statements for further information on the New Zealand product liability and the New Zealand Ministry of Education Representative Action.

Research and Development Expenses

Research and development expenses include costs associated with research projects that are designed to benefit all business units. These costs are recorded in the Research and Development ("R&D") segment rather than attributed to individual business units. These costs were 8% lower for the quarter at US$5.8 million, compared to US$6.3 million in the prior corresponding quarter. For the nine months ended 31 December 2013, these costs decreased 7% from US$17.6 million in the prior corresponding period to US$16.3 million.

Other R&D costs associated with commercialisation projects in business units are included in the business unit segment results. In total, these costs were 19% lower for the quarter at US$2.9 million, compared to US$3.6 million in the prior corresponding quarter and 14% lower for the nine months at US$8.8 million, compared to US$10.2 million in the prior corresponding nine months.

The research and development segment also included selling, general and administrative expenses of US$0.5 million for the three months ended 31 December 2013 and 2012. The research and development segment included selling, general and administrative expenses of US$1.6 million and US$1.5 million for the nine months ended 31 December 2013 and 2012, respectively.

The decrease in R&D expenses during the quarter and nine months primarily resulted from the completion of certain projects that were ongoing in the prior corresponding quarter and nine months, partially offset by higher R&D headcount and related expenses due to the opening of an R&D facility in Chicago, Illinois in the prior fiscal year.

Asbestos Adjustments

The company's asbestos adjustments are derived from an estimate of future Australian asbestos-related liabilities in accordance with the Amended and Restated Final Funding Agreement ("AFFA").

The asbestos-related assets and liabilities are denominated in Australian dollars. Therefore, the reported value of these asbestos-related assets and liabilities in the company's Condensed Consolidated Balance Sheet in US dollars is subject to adjustment, with a corresponding effect on the company's Condensed Consolidated Statement of Operations and Comprehensive Income, depending on movements in the closing exchange rate between the two currencies at each balance sheet date.

For the quarter, the Australian dollar spot exchange rate against the US dollar depreciated 4% to US$0.89 at 31 December 2013 compared to 30 September 2013. During the prior corresponding quarter, the spot exchange rate depreciated 1% to US$1.03 at 31 December 2012 compared to 30 September 2012.

For the nine months ended 31 December 2013, the Australian dollar spot exchange rate against the US dollar depreciated 14% to US$0.89 at 31 December 2013 compared to 31 March 2013. During the prior corresponding period, the spot exchange rate decreased 1% to US$1.04 at 31 December 2012 compared to 31 March 2012.

The following table sets forth the asbestos adjustments included in the Condensed Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended 31 December 2013 and 31 December 2012, respectively:

US$ Millions	**Three Months and Nine Months Ended 31 December**			
	Q3 FY14	Q3 FY13	9 Months FY14	9 Months FY13
Effect of foreign exchange rate movements	$ 30.8	$ 6.1	$ 120.5	$ 2.6
Recovery of insurance receivables	5.0	5.6	5.7	11.9
Asbestos adjustments	**$ 35.8**	$ 11.7	**$ 126.2**	$ 14.5

Readers are referred to Note 7 of the company's 31 December 2013 Condensed Consolidated Financial Statements for further information on the asbestos adjustments.

Claims Data

For the quarter ended 31 December 2013, there were 155 claims received, an increase from 125 claims received in the prior corresponding quarter and higher than actuarial expectations of 135 new claims. For the nine months ended 31 December 2013, there were 476 claims received, an increase from 401 claims received in the prior corresponding period and higher than actuarial expectations of 405 new claims.

There were 130 claims settled in the quarter ended 31 December 2013 compared to 132 claims settled during the quarter ended 31 December 2012. The 130 claims settled during the current quarter were below actuarial expectations of 136 claims settled for the quarter ended 31 December 2013. There were 411 claims settled in the nine months ended 31 December 2013 compared to 416 claims settled during the nine months ended 31 December 2012. The 411 claims settled during the nine months ended 31 December 2013 were above actuarial expectations of 408 claims settled.

The average claim settlement of A$258,000 for the nine months ended 31 December 2013 was A$13,000 thousand higher than the average claim settlement in the prior corresponding nine months. The increase in average claims settlement is largely attributable to mesothelioma claims, which are more costly to settle and represented a larger proportion of total claims than in the prior corresponding period. Further, a number of these mesothelioma claims were large claims received earlier in the year, which settled for more than A$1.0 million per claim. Excluding these large claim settlements, average claim sizes for mesothelioma were in line with actuarial expectations for the nine months ended 31 December 2013, with the average cost of settling non-mesothelioma claims being in line with, or below, actuarial expectations for the nine months ended 31 December 2013.

Asbestos claims paid totalled A$31.8 million and A$104.6 million for the quarter and nine months ended 31 December 2013, compared to A$30.9 million and A$98.0 million during the prior corresponding period. Asbestos claims paid during the quarter were lower than the actuarial expectation of A$32.9 million. Asbestos claims paid during the nine month period were higher than the actuarial expectation of A$98.6 million, primarily due to a number of large mesothelioma claims that settled for more than A$1.0 million per claim.

During the nine months ended 31 December 2013, mesothelioma claims reporting activity has been above actuarial expectations. One of the critical assumptions used to derive the discounted central estimate is the estimated peak year of mesothelioma disease claims, which was assumed to have occurred in 2010/2011. Potential variation in this estimate has an impact much greater than other assumptions used to derive the discounted central estimate. For example, if the peak year of mesothelioma disease claims were estimated to occur in 2015/2016, the discounted central estimate could increase by approximately 45.0%.

Due to inherent uncertainties in the legal and medical environment, the number and timing of future claim notifications and settlements, the recoverability of claims against insurance contracts, and estimates of future trends in average claim awards, the actual amount of liability could differ materially from that which is currently projected. There is significant uncertainty regarding the nature, extent and mix of claims reporting activity for the remainder of the 2014 fiscal year, together with their consequential impact on average claims sizes. In addition, there is significant uncertainty regarding the extent to which the current level of claims reporting activity will continue, slow, or revert to prior expected levels in the longer term. The company is currently unable to reasonably determine the manner in which the current level of claims reporting activity will influence future activity over the long-term. Pending a further review of claims reporting activity in the final quarter of fiscal year 2014, it is possible that the subsequent actuarial assessment at 31 March 2014 may result in a material change in the company's asbestos liability.

All figures provided in this Claims Data section are gross of insurance and other recoveries. Readers are referred to Note 7 of the company's 31 December 2013 Condensed Consolidated Financial Statements for further information on asbestos adjustments.

EBIT

EBIT for the quarter ended 31 December 2013 increased from US$32.5 million in the prior corresponding quarter to US$94.8 million. EBIT for the quarter included net favourable asbestos adjustments of US$35.8 million, New Zealand product liability benefit of US$4.2 million and AICF SG&A expenses of US$0.4 million. For the prior corresponding quarter, EBIT included favourable asbestos adjustments of US$11.7 million, New Zealand product liability expense of US$7.5 million, asset impairments of US$5.8 million, AICF SG&A expenses of US$0.5 million and ASIC expenses of US$0.1 million, as shown in the table below.

EBIT for the nine months increased from US$137.8 million in the prior corresponding period to US$319.5 million. EBIT for the nine months included favourable asbestos adjustments of US$126.2 million, New Zealand product liability expense of US$0.7 million and AICF SG&A expenses of US$1.4 million. For the prior corresponding period, EBIT included New Zealand product liability expense of US$13.2 million, net favourable asbestos adjustments of US$14.5 million, AICF SG&A expenses of US$1.2 million, asset impairments of US$5.8 million, and ASIC expenses of US$0.5 million, as shown in the table below.

EBIT - US$ Millions	**Three Months and Nine Months Ended 31 December**					
	Q3 FY14	Q3 FY13	% Change	9 Months FY14	9 Months FY13	% Change
USA and Europe Fibre Cement excluding asset impairments	$ 53.1	$ 30.4	75	$ 179.8	$ 124.7	44
Asia Pacific Fibre Cement excluding New Zealand product liability	21.3	19.2	11	64.5	58.2	11
Research & Development	(6.4)	(6.8)	6	(18.0)	(19.1)	6
Asset impairments	-	(5.8)		-	(5.8)	
New Zealand product liability benefit (expenses)	4.2	(7.5)		(0.7)	(13.2)	95
General Corporate:						
General corporate costs	(12.8)	(8.2)	(56)	(30.9)	(20.3)	(52)
Asbestos adjustments	35.8	11.7		126.2	14.5	
AICF SG&A expenses	(0.4)	(0.5)	20	(1.4)	(1.2)	(17)
EBIT	**94.8**	**32.5**		**319.5**	**137.8**	
Excluding:						
Asbestos:						
Asbestos adjustments	(35.8)	(11.7)		(126.2)	(14.5)	
AICF SG&A expenses	0.4	0.5	(20)	1.4	1.2	17
Asset Impairments	-	5.8		-	5.8	
ASIC expenses	-	0.1		-	0.5	
New Zealand product liability (benefit) expenses	(4.2)	7.5		0.7	13.2	(95)
EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	**$ 55.2**	**$ 34.7**	**59**	**$ 195.4**	**$ 144.0**	**36**
Net sales	$ 353.2	$ 320.4	10	$ 1,117.4	$ 994.5	12
EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	15.6%	10.8%		17.5%	14.5%	

USA and Europe Fibre Cement EBIT

USA and Europe Fibre Cement EBIT excluding asset impairments for the quarter increased 75% from US$30.4 million in the prior corresponding quarter to US$53.1 million. EBIT margin excluding asset impairments for the quarter was 6.7 percentage points higher at 20.2%.

For the nine months, USA and Europe Fibre Cement EBIT excluding asset impairments increased 44% from US$124.7 million in the prior corresponding period to US$179.8 million. For the nine months, EBIT margin excluding asset impairments was 3.9 percentage points higher at 21.4%.

For both the quarter and the nine months ended 31 December 2013, EBIT was favourably impacted primarily by higher volume, a higher average net sales price and lower production costs, partially offset by an increase in SG&A.

Asia Pacific Fibre Cement EBIT

For the quarter, Asia Pacific Fibre Cement EBIT excluding New Zealand product liability increased 11% from US$19.2 million in the prior corresponding quarter to US$21.3 million. In Australian dollars, Asia Pacific Fibre Cement EBIT excluding New Zealand product liability for the quarter increased 21% due to an increase in the Australian dollar average net sales price, and a decrease in manufacturing expenses. The increase in Asia Pacific Fibre Cement EBIT excluding New Zealand product liability during the quarter was partially offset by an 12% depreciation in the Australian dollar/US dollar average exchange rate in the third quarter of the current year, compared to the third quarter of the prior year. EBIT margin excluding New Zealand product liability was 3.5 percentage points higher for the quarter at 23.5%.

Asia Pacific Fibre Cement EBIT including New Zealand product liability for the quarter increased from US$11.7 million in the prior corresponding quarter to US$25.5 million. EBIT margin including New Zealand product liability was 15.9 percentage points higher at 28.1%.

For the nine months ended 31 December 2013, Asia Pacific Fibre Cement EBIT excluding New Zealand product liability increased 11% from US$58.2 million to US$64.5 million. In Australian dollars, Asia Pacific Fibre Cement EBIT excluding New Zealand product liability increased 21% compared to the prior corresponding period, due to an increase in the Australian dollar average net sales price, and a decrease in manufacturing costs. The increase in Australian dollar EBIT excluding New Zealand product liability during the nine months ended 31 December 2013 was partially offset by the 8% depreciation in the Australian dollar/US dollar average exchange rate, leading to a reduction in US dollar EBIT in the nine months ended 31 December 2013 compared to the nine months ended 31 December 2012. EBIT margin excluding New Zealand product liability was 2.4 percentage points higher for the nine months ended 31 December 2013 at 23.2%.

Asia Pacific Fibre Cement EBIT including New Zealand product liability increased from US$45.0 million in the prior corresponding nine months to US$63.8 million. EBIT margin including New Zealand product liability was 6.8 percentage points higher at 22.9%

Net Interest (Expense) Income

Net interest expense moved from income of US$2.1 million in the prior corresponding quarter to expense of US$0.4 million in the current quarter. For the nine months ended 31 December 2013, net interest expense moved from income of US$2.3 million in the prior corresponding period to net interest expense of US$0.7 million. The movement in net interest (expense) income during the nine months is due to an increase in interest and borrowing costs relating to the company's external credit facilities. Further, net interest (expense) income during the quarter and nine months was unfavourably impacted by a decrease in AICF interest income and other interest income.

Other Income

For the quarter, other income increased to US$1.2 million compared to US$0.5 million in the prior corresponding quarter. For the nine months ended 31 December 2013, other income increased from US$1.2 million in the prior corresponding period to US$1.4 million in the current year.

Income Tax

Quarter

The company's effective tax rate was 3.6% for the quarter compared to 10.3% in the prior corresponding quarter. During the current and prior corresponding quarter, the effective tax rate was impacted by favourable asbestos adjustments of US$35.8 million and US$11.7 million, respectively. In addition, in November 2013, the ATO notified RCI that it was entitled to a final additional amount of interest in respect of amounts paid by RCI to the ATO while the appeal of the disputed amended tax assessment was in process. On 19 December 2013, the final additional amount of interest payable to RCI was calculated in the amount A$17.3 million (US$15.4 million) which was received in January 2014. As the receipt of this interest from the ATO relates to RCI's successful appeal of its disputed amended tax assessment, the additional interest, net of tax, was reflected as an income tax benefit in the Company's results of operations for the quarter. The facts and circumstances relating to RCI's successful appeal of the disputed amended tax assessment were fully disclosed in the notes to the company's consolidated financial statements as of and for the year ended 31 March 2012, as filed with the United Sates Securities and Exchange Commission ("SEC") on 2 July 2012.

The company recorded net favourable asbestos-related and New Zealand product liability benefit of US$8.3 million for the quarter, compared to net favourable adjustments of US$3.6 million for the prior corresponding quarter.

For the quarter, asbestos-related and other tax adjustments included tax expense for New Zealand product liability, as discussed above. In the prior corresponding quarter, tax adjustments included net tax benefits for the New Zealand product liability and asset impairments.

Income tax expense excluding asbestos-related and other tax adjustments for the quarter increased from US$7.2 million in the prior corresponding quarter to US$11.7 million due to higher taxable earnings. The effective tax rate excluding asbestos, asset impairments, New Zealand liability, and other tax adjustments decreased from 21.3% to 21.1%.

Nine Months

The company's effective tax rate was 10.6% for the nine months ended 31 December 2013 compared to 18.6% in the prior corresponding period. During the current and prior corresponding period, the effective tax rate was impacted by favourable asbestos adjustments of US$126.2 million and US$14.5 million, respectively. In addition, the effective tax rate for the current nine months was favourably impacted by the A$17.3 million (US$15.4 million) of ATO interest discussed above.

The company recorded net favourable asbestos-related and other tax adjustments of US$7.8 million for the nine months ended 31 December 2013, compared to net favourable adjustments of US$6.2 million for the prior corresponding period.

For the nine months ended 31 December 2013, asbestos-related and other tax adjustments included tax benefits for New Zealand product liability, as discussed above. In the prior corresponding period, tax adjustments included net tax benefits for asbestos-related, New Zealand product liability and asset impairments.

Income tax expense excluding asbestos-related and other tax adjustments for the nine months ended 31 December 2013 year increased from US$32.5 million in the prior corresponding period to US$41.7 million. The effective tax rate excluding asbestos, asset impairments, New Zealand liability, and other tax adjustments decreased from 23.0% in the prior corresponding period to 21.5% due to recurring tax adjustments comprising a lower proportion of earnings for the nine months, as taxable earnings increased, relative to the prior corresponding period.

Net Operating Profit

Net operating profit for the quarter was US$92.2 million, compared to US$31.5 million for the prior corresponding quarter. Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments increased 64% from US$26.7 million in the prior corresponding quarter to US$43.7 million in the current quarter, as shown in the table below.

For the nine months, net operating profit was US$286.3 million, compared to US$115.0 million for the prior corresponding period. Net operating profit excluding asbestos, assets impairments, ASIC expenses, New Zealand product liability and tax adjustments increased 39% to US$152.0 million from US$109.4 million in the prior corresponding period, as shown in the table below.

Net Operating Profit - US$ millions	**Three Months and Nine Months Ended 31 December**					
	Q3 FY14	Q3 FY13	% Change	9 Months FY14	9 Months FY13	% Change
Net operating profit	**$ 92.2**	**$ 31.5**		**$ 286.3**	**$ 115.0**	
Excluding:						
Asbestos:						
Asbestos adjustments	(35.8)	(11.7)		(126.2)	(14.5)	
AICF SG&A expenses	0.4	0.5	(20)	1.4	1.2	17
AICF interest income	(0.6)	(3.4)	82	(2.4)	(5.6)	57
Asset impairments	-	5.8		-	5.8	
ASIC expenses	-	0.1		-	0.5	
New Zealand product liability (benefit) expenses	(4.2)	7.5		0.7	13.2	(95)
Asbestos and other tax adjustments	(8.3)	(3.6)		(7.8)	(6.2)	(26)
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	**$ 43.7**	**$ 26.7**	**64**	**$ 152.0**	**$ 109.4**	**39**
Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments (US cents)	10	6	67	34	25	36

Capacity Expansion

The company is proceeding with its previously announced plans to increase the production capacity of the USA and Europe Fibre Cement business. These plans continue to include:

- a fourth sheet machine and ancillary facilities at the company's Plant City, Florida location with an estimated investment of US$65.0 million with nominal capacity of 300 mmsf[1]; and
- a third sheet machine and ancillary facilities at the company's Cleburne, Texas location with an estimated investment of US$37.0 million with nominal capacity of 200 mmsf[1].

The company expects both the Plant City and Cleburne projects to be commissioned by the first half of fiscal 2015.

The company continues to refurbish its Fontana, California plant at a cost of US$37.9 million to date. The company intends recommencement of production in the fourth quarter of fiscal 2014 with a nominal capacity of 250 mmsf[1].

[1] Nominal capacities are based on production of 5/16" HardieZone 10 product, without regard to actual or anticipated product mix.

As previously announced during the first quarter of fiscal year 2014, the company completed the purchase of the previously-leased land and buildings at the Carole Park, Brisbane plant prior to capital expenditure and commercial investments to increase the plant's production capacity at a total estimated cost of approximately A$89.0 million.

Cash Flow

Net operating cash flow increased for the nine months from US$83.3 million in the prior corresponding period to US$254.7 million primarily due to the following:

- prior year non-recurring tax payment of US$81.3 million which arose from the favourable conclusion of RCI's disputed fiscal year 1999 amended tax assessment with the ATO;
- a decrease in the company's contribution to AICF from US$45.4 million in the prior corresponding nine months ended 31 December 2012 to nil in the nine months ended 31 December 2013; and
- higher earnings net of asbestos adjustments.

For the nine months ended 31 December 2013, net capital expenditure for the purchase of property, plant and equipment increased to US$67.9 million from US$41.3 million in the prior corresponding period. The increase in net capital expenditure is primarily a result of the purchase of the previously leased land and buildings located at the company's Carole Park, Brisbane plant and refurbishment of idled manufacturing assets at the Fontana, California plant. In addition, in December 2013, the Company acquired the assets of a US business engaged in the research, development and manufacturing of fibreglass windows.

Dividends paid during the nine months ended 31 December 2013 decreased to US$163.6 million, reflecting a payment of US37.0 cents per security, compared to US$166.4 million in the prior corresponding period, reflecting a payment of US38.0 cents per security.

Shareholder Returns

125 Year Anniversary Special Dividend

The company announced today a special dividend of US28.0 cents per security ("125 year anniversary special dividend"). The 125 year anniversary special dividend was announced in US currency and will be paid on 30 May 2014 with a record date of 21 March 2014.

FY2014 First Half Dividend

On 14 November 2013, the company announced an ordinary dividend of US8.0 cents per security ("FY2014 first half dividend") compared with US5.0 cents per security in the prior corresponding period. The FY2014 first half dividend was announced in US currency and will be paid on 28 March 2014, with a record date of 19 December 2013. Accordingly, the company has recorded US$35.5 million in *Dividends payable* on the Condensed Consolidated Balance Sheet at 31 December 2013.

Irish Dividend Withholding Tax

The company will be required to deduct Irish Dividend Withholding Tax ("DWT") (currently 20% of the gross dividend amount) from the FY2014 first half dividend, the 125 year anniversary special dividend, and any future dividend unless the beneficial owner has completed and returned a non-resident declaration form ("DWT Form") prior to payment.

In general, beneficial owners, superannuation funds and pension funds who are resident for tax purposes in Australia, New Zealand, the United States and the United Kingdom and who return a validly completed DWT Form will be exempt from Irish DWT. The DWT Form is required to be completed and signed by the beneficial owner, who may be different from the registered shareholder.

Shareholders who have not completed a DWT Form may be able to claim a refund of Irish DWT (by way of a euro-denominated payment) directly from Irish Revenue.

Dividend Payout Ratio

On 14 November 2013, the company announced, an increase in the dividend payout ratio from between 30% and 50% to between 50% and 70% of annual net operating profit (excluding asbestos adjustments) for dividends payable in respect of FY2014 and future fiscal years.

FY2013 Ordinary and Special Dividends

The company announced an ordinary dividend of US5.0 cents per security ("FY2013 first half ordinary dividend") on 15 November 2012. The FY2013 first half ordinary dividend, FY2013 second half ordinary dividend and FY2013 special dividend totalled US42.0 cents per security and were paid from earnings in FY2013. The company paid an ordinary dividend of US13.0 cents per security ("FY2013 second half ordinary dividend") and a special dividend of US24.0 cents per security ("FY2013 special dividend") on 26 July 2013. The total amount of the FY2013 second half ordinary dividend and FY2013 special dividend together was US$163.6 million.

Share Buyback

In May 2013, the company announced a new share buyback program to acquire up to 5% of its issued capital. During the three months ended 31 December 2013, the company repurchased and cancelled 305,153 shares of its common stock, with an aggregate cost of A$3.5 million (US$3.3 million), at an average market price of A$11.60 (US$10.52). For the nine months ended 31 December 2013, the Company repurchased and cancelled a total of 526,153 shares of its common stock, with an aggregate cost of $A5.5 million (US$5.1 million), at an average market price of $10.51 (US$9.60).

Subsequent to 31 December 2013, the Company acquired an additional 613,061 shares of its common stock, with an aggregate cost of A$8.1 million (US$7.2 million), at an average market price of A$13.17 (US$11.73).

The company will be undertaking a further review of its capital structure and capital management objectives and expects to be in a position to make further distributions to shareholders in the near term as follows:

1) subject to share price levels, the company intends to continue to repurchase shares under the existing share buyback program, which expires in May 2014; and
2) to the extent the company does not complete the full amount of the current share buyback during FY2014 the company will consider further distributions by way of dividends to shareholders over and above those contemplated under the company's ordinary dividend policy subject to:
   - an assessment of the current and expected industry conditions in the group's major markets of the US and Australia;
   - an assessment of the group's capital requirements, especially for funding of expansion and growth initiatives;
   - global economic conditions and outlook; and
   - total net operating profit (excluding asbestos adjustments) for fiscal year 2014.

Liquidity and Capital Resources

The company's net cash position increased from US$153.7 million at 31 March 2013 to US$185.2 million at 31 December 2013.

At 31 December 2013, the company had credit facilities totalling US$405.0 million, of which none were drawn. The credit facilities are all uncollateralised and consist of the following:

Description	Effective Interest Rate	Total Facility	Principal Drawn
(US$ millions)			
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2014	-	$ 50.0	$ -
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until March 2016	-	50.0	-
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until April 2016	-	190.0	-
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until March 2017	-	40.0	-
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until April 2017	-	75.0	-
Total		**$ 405.0**	**$ -**

The company draws on and repays amounts available under its term facilities throughout the fiscal year. During the quarter and nine months ended 31 December 2013, the company did not draw down or make repayments on any of its term facilities. The weighted average remaining term of the total credit facilities at 31 December 2013 was 2.3 years.

The company has historically met its working capital needs and capital expenditure requirements from a combination of cash flow from operations, credit facilities and other borrowings. Seasonal fluctuations in working capital generally have not had a significant impact on its short-term or long-term liquidity.

The company expects to invest in significant capital expenditures in the near to medium term for upgrades of plant production capabilities to support capacity expansion plans, equipment upgrades to ensure continued environmental compliance, the implementation of new fibre cement technologies and the refurbishment and re-commissioning of idled production assets.

The company anticipates it will have sufficient funds to meet its planned working capital and other expected cash requirements for the next twelve months based on its existing cash balances, anticipated operating cash flows arising during the year and unutilised committed credit facilities.

On 14 February 2014, US$50.0 million of the Company's unutilised credit facilities expired. The Company intends to replace the expired credit facilities in the fourth quarter of fiscal 2014. At 28 February 2014, the unutilised credit facilities available to the Company were reduced to US$355.0 million, with a weighted average remaining term of 2.2 years.

Asbestos Compensation

The company did not make a contribution to AICF during the three and nine months ended 31 December 2013. From the time AICF was established in February 2007 through December 2013, the company has contributed A$599.2 million to the fund.

END

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

These documents, along with an audio webcast of the Management Presentation on 28 February 2014, are available from the Investor Relations area of the company's website at www.jameshardie.com

The company routinely posts information that may be of importance to investors in the Investor Relations section of its website, including press releases, financial results and other information. The company encourages investors to consult this section of its website regularly.

The company filed its annual report on Form 20-F for the year ended 31 March 2013 with the SEC on 27 June 2013.

All holders of the company's securities may receive, on request, a hard copy of our complete audited Consolidated Financial Statements, free of charge. Requests can be made via the Investor Relations area of the company's website or by contacting one of the company's corporate offices. Contact details are available on the company's website.

Definitions

Non-financial Terms

ABS – Australian Bureau of Statistics.

AFFA – Amended and Restated Final Funding Agreement.

AICF – Asbestos Injuries Compensation Fund Ltd.

ASIC – Australian Securities and Investments Commission.

ATO – Australian Taxation Office.

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

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

Financial Measures – US GAAP equivalents

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

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

Sales Volume

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

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

Financial Ratios

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

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

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

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

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

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

Non-US GAAP Financial Measures

EBIT and EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability – EBIT and EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability 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 focussed 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
EBIT	$ 94.8	$ 32.5	$ 319.5	$ 137.8
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
Asset impairments	-	5.8	-	5.8
ASIC expenses	-	0.1	-	0.5
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	55.2	34.7	195.4	144.0
Net sales	$ 353.2	$ 320.4	$ 1,117.4	$ 994.5
EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	15.6%	10.8%	17.5%	14.5%

Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments – Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Net operating profit	$ 92.2	$ 31.5	$ 286.3	$ 115.0
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
AICF interest income	(0.6)	(3.4)	(2.4)	(5.6)
Asset impairments	-	5.8	-	5.8
ASIC expenses	-	0.1	-	0.5
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
Asbestos and other tax adjustments	(8.3)	(3.6)	(7.8)	(6.2)
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	$ 43.7	$ 26.7	$ 152.0	$ 109.4

Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments – Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	$ 43.7	$ 26.7	$ 152.0	$ 109.4
Weighted average common shares outstanding - Diluted (millions)	445.2	440.3	444.2	439.0
Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments (US cents)	10	6	34	25

Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability and tax adjustments – Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Operating profit before income taxes	$ 95.6	$ 35.1	$ 320.2	$ 141.3
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
AICF interest income	(0.6)	(3.4)	(2.4)	(5.6)
Asset impairments	-	5.8	-	5.8
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
Operating profit before income taxes excluding asbestos, asset impairments and New Zealand product liability	$ 55.4	$ 33.8	$ 193.7	$ 141.4
Income tax expense	(3.4)	(3.6)	(33.9)	(26.3)
Asbestos-related and other tax adjustments	(8.3)	(3.6)	(7.8)	(6.2)
Income tax expense excluding tax adjustments	(11.7)	(7.2)	(41.7)	(32.5)
Effective tax rate	3.6%	10.3%	10.6%	18.6%
Effective tax rate excluding asbestos, asset impairments, New Zealand product liability, and tax adjustments	21.1%	21.3%	21.5%	23.0%

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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
EBIT	$ 94.8	$ 32.5	$ 319.5	$ 137.8
Depreciation and amortisation	15.6	17.3	46.2	48.0
Adjusted EBITDA	$ 110.4	$ 49.8	$ 365.7	$ 185.8

General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs – General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than general corporate costs. 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
General corporate costs	$ 12.8	$ 8.2	$ 30.9	$ 20.3
Excluding:				
ASIC expenses	-	(0.1)	-	(0.5)
Intercompany foreign exchange gain	-	-	-	5.5
Recovery of RCI legal costs	-	-	-	2.7
General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs	$ 12.8	$ 8.1	$ 30.9	$ 28.0

<u>Selling, general and administrative expenses excluding New Zealand product liability</u> – Selling, general and administrative expenses excluding New Zealand product liability 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	**Q3 FY 2014**	**Q3 FY 2013**	**9 Months FY 2014**	**9 Months FY 2013**
Selling, general and administrative expenses	$ 53.8	$ 59.7	$ 162.5	$ 160.6
Excluding:				
New Zealand product liability benefit (expenses)	4.2	(7.5)	(0.7)	(13.2)
Selling, general and administrative expenses excluding New Zealand product liability	$ 58.0	$ 52.2	$ 161.8	$ 147.4
Net Sales	$ 353.2	$ 320.4	$ 1,117.4	$ 994.5
Selling, general and administrative expenses as a percentage of net sales	15.2%	18.6%	14.5%	16.1%
Selling, general and administrative expenses excluding New Zealand product liability as a percentage of net sales	16.4%	16.3%	14.5%	14.8%

Supplemental Financial Information

As set forth in Note 7 of the 31 December 2013 Condensed Consolidated Financial Statements, the net AFFA liability, while recurring, is based on periodic actuarial determinations, claims experience and currency fluctuations. The company's management measures its financial position, operating performance and year-over-year changes in operating results with and without the effect of the net AFFA liability. Accordingly, management believes that the following non-GAAP information is useful to it and investors in evaluating the company's financial position and ongoing operating financial performance. The following non-GAAP table should be read in conjunction with JHI plc's Condensed Consolidated Financial Statements and related notes contained in the company's 31 December 2013 Condensed Consolidated Financial Statements.

James Hardie Industries plc
Supplementary Financial Information
31 December 2013
(Unaudited)

(US$ Millions)	Total Fibre Cement – Excluding Asbestos Compensation	Asbestos Compensation	As Reported (US GAAP)
Restricted cash and cash equivalents – Asbestos	$ -	$ 61.9	**$ 61.9**
Restricted short-term investments – Asbestos	-	0.1	**0.1**
Insurance receivable – Asbestos[1]	-	187.2	**187.2**
Workers compensation asset – Asbestos[1]	-	52.8	**52.8**
Deferred income taxes – Asbestos[1]	-	374.4	**374.4**
Asbestos liability[1]	$ -	$ 1,357.6	**$ 1,357.6**
Workers compensation liability – Asbestos[1]	-	52.8	**52.8**
Income taxes payable	16.9	(12.2)	**4.7**
Favourable asbestos adjustments	$ -	$ 126.2	**$ 126.2**
Selling, general and administrative expenses	(161.1)	(1.4)	**(162.5)**
Net interest (expense) income	(3.1)	2.4	**(0.7)**
Income tax expense	(31.9)	(2.0)	**(33.9)**

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

Forward-Looking Statements

This Management's Analysis of Results 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 with respect to the introduction of new products, product lines and businesses;
- 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, closure, opening or expansion of operations at any of the company's plants and future plans with respect to any such plants;
- 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 as to the possible consequences of proceedings brought against the company and certain of its former directors and officers by the Australian Securities and Investments Commission (ASIC);
- statements regarding the possible consequences, value, impact or effect of the Settlement Deed resolving the legal proceedings brought by the New Zealand Ministry of Education against two of the company's New Zealand subsidiaries;
- expectations about the timing and amount of contributions to Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations;
- expectations concerning the adequacy of the company's warranty provisions and estimates for future warranty-related costs;
- statements regarding the company's ability to manage legal and regulatory matters (including but not limited to product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic conditions, such as changes in the US economic or housing recovery or changes in the market conditions in the Asia Pacific region, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

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

Forward-looking statements are based on the company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the company's control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under "Risk Factors" in Section 3 of the Form 20-F filed with the Securities and Exchange Commission on 27 June 2013, 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.

Q3 FY14 MANAGEMENT PRESENTATION

28 February 2014

DISCLAIMER

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- statements as to the possible consequences of proceedings brought against the Company and certain of its former directors and officers by the Australian Securities and Investments Commission (ASIC);
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- 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 27 June 2013, 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 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
- Questions and Answers

In this Management Presentation, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document starting on page 48. 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 volumes ("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 ("EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability", "EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability", "Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments", "Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments", "Operating profit before income taxes excluding asbestos, asset impairments and New Zealand product liability", "Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability and tax adjustments", "Adjusted EBITDA", "General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs" and "Selling, general and administrative expenses excluding New Zealand product liability"). Unless otherwise stated, results and comparisons are of the 3rd quarter and nine months of the current fiscal year versus the 3rd quarter and nine months of the prior fiscal year.

OVERVIEW AND OPERATING REVIEW

Louis Gries, CEO

GROUP OVERVIEW [1]

US$ Millions	Q3 FY 2014	Q3 FY 2013	% Change	9 Months FY 2014	9 Months FY 2013	% Change
Net operating profit	92.2	31.5		286.3	115.0	
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	**43.7**	**26.7**	64	**152.0**	**109.4**	39
Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments (US cents)	10	6	67	34	25	36

Net operating profit reflects:

- Higher sales volumes and average net sales price in the USA and Europe Fibre Cement segment
- Higher gross profit and EBIT in the Asia Pacific Fibre Cement segment, partially offset by the depreciation of local currencies versus the US dollar

USA and Europe Fibre Cement EBIT margins, excluding asset impairments of 20.2% and 21.4% for the quarter and nine months ended 31 December 2013, respectively, are within target EBIT margin range

[1] *Comparisons are of the 3rd quarter and nine months of the current fiscal year versus the 3rd quarter and nine months of the prior fiscal year*

James Hardie

USA AND EUROPE FIBRE CEMENT 3rd QUARTER SUMMARY [1]

USA and Europe Fibre Cement results reflected:

- Higher sales volume due to increased activity in new construction market and increased market penetration
- Higher average net sales price [2]
- Improved production costs due to economies of scale
- Higher input costs
- Increased idle facility costs as a result of the company's refurbishment of production capacity at its Fontana, California plant

[1] *Comparisons are of the 3rd quarter of the current fiscal year versus the 3rd quarter of the prior fiscal year*

[2] *During the second quarter of FY2014, the company refined its methodology for calculating average net sales price in both the USA and Europe and Asia Pacific Fibre Cement segments to exclude ancillary products that have no impact on fibre 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 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 quarter and half year calculation of average net sales price. Readers are referred to the "Five Year Financial Summary" on the company's Investor Relations website at http://www.ir.jameshardie.com.au/jh/results_briefings.jsp for the refined comparative average net sales price for the periods FY2009 through FY2013 using this revised methodology.*

USA AND EUROPE FIBRE CEMENT

3rd Quarter Result [1]

Net Sales	up	17% to US$262.6 million
Sales Volume	up	11% to 389.2 mmsf
Average Price [2]	up	5% to US$659 per msf
EBIT [3]	up	75% to US$53.1 million
EBIT Margin [3]	up	6.7 pts to 20.2%

[1] Comparisons are of the 3rd quarter of the current fiscal year versus the 3rd quarter of the prior fiscal year

[2] Prior period amounts have been restated to conform with current year refined methodology for calculating the change in average net sales price

[3] Excludes asset impairments charges of US$5.8 million in the 3rd quarter of the prior fiscal year

USA AND EUROPE FIBRE CEMENT

Nine Months Result [1]

Net Sales	up	17% to US$839.4 million
Sales Volume	up	14% to 1,263.5 mmsf
Average Price [2]	up	3% to US$651 per msf
EBIT [3]	up	44% to US$179.8 million
EBIT Margin [3]	up	3.9 pts to 21.4%

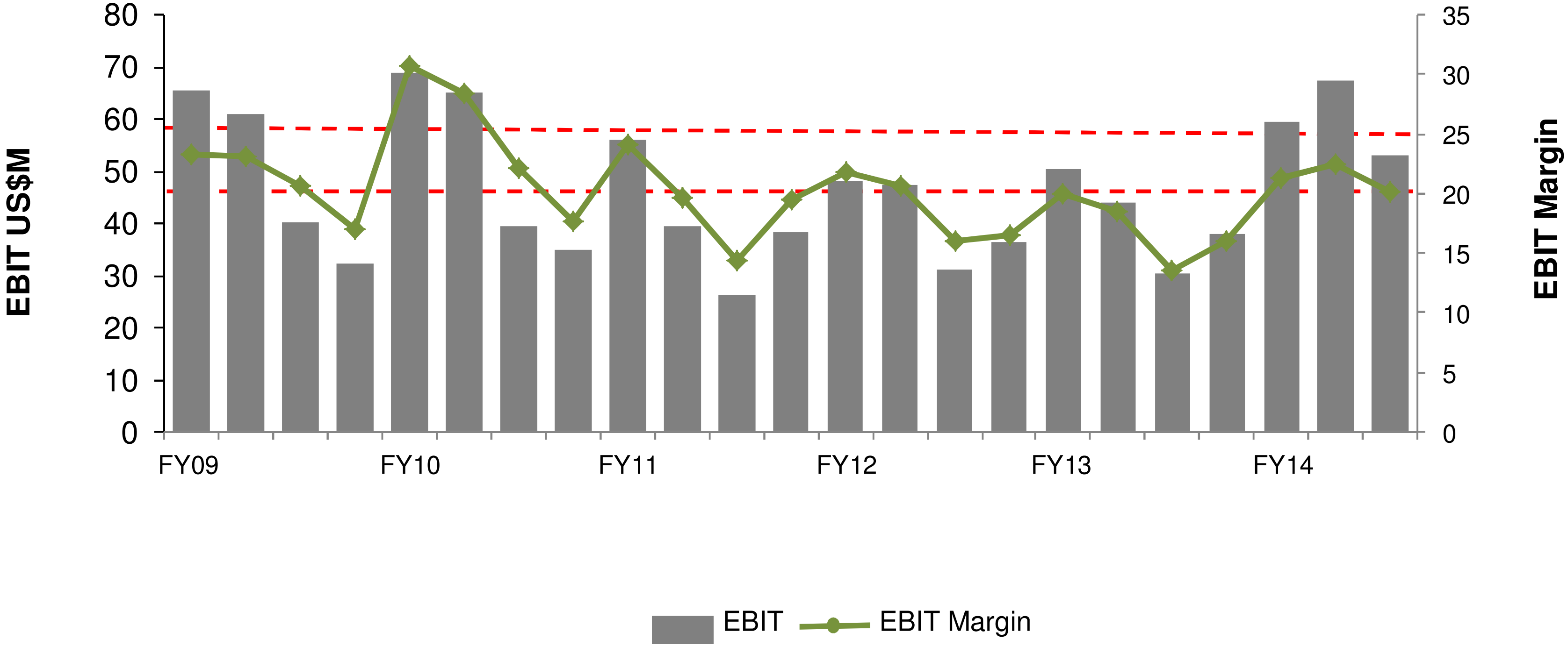
[1] Comparisons are of the nine months of the current fiscal year versus the nine months of the prior fiscal year

[2] Prior period amounts have been restated to conform with current year refined methodology for calculating the change in average net sales price

[3] Excludes asset impairments charges of US$5.8 million in the nine months of the prior fiscal year

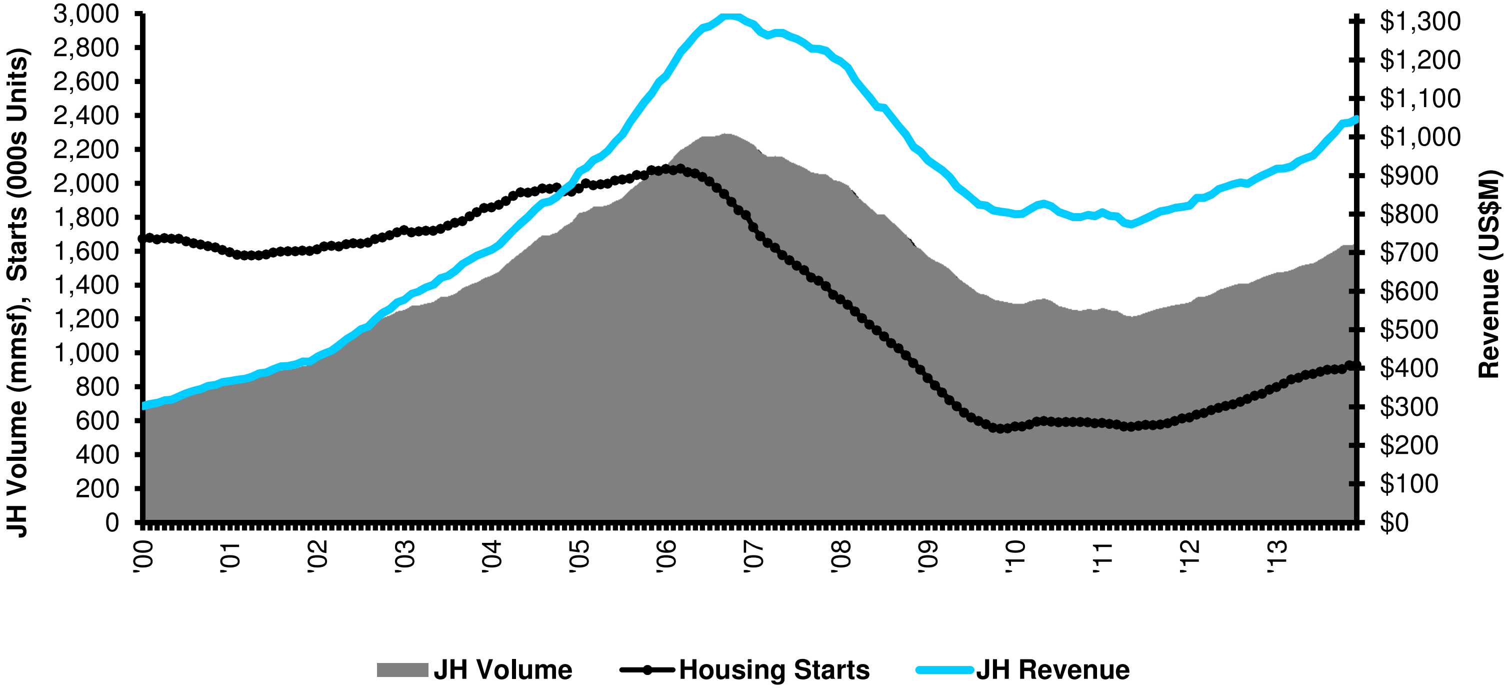
USA AND EUROPE FIBRE CEMENT

Quarterly EBIT and EBIT Margin [1]



[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*

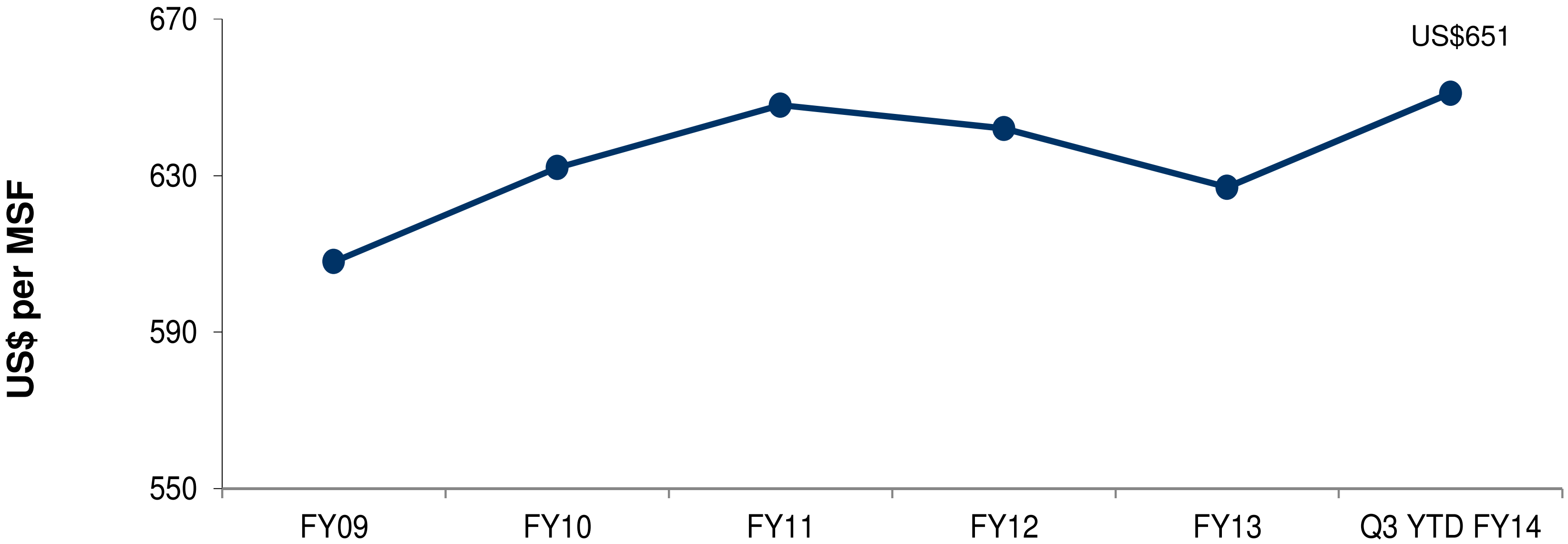
Top Line Growth



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

USA AND EUROPE FIBRE CEMENT

Average Net Sales Price (US dollars)[1]



[1] *Prior period amounts have been restated to conform with current year refined methodology for calculating average net sales price*

ASIA PACIFIC FIBRE CEMENT 3rd QUARTER SUMMARY [1]

Asia Pacific Fibre Cement results reflected:

- Higher average net sales price[2] in local currencies
- Slight increase in sales volume constrained by a reported 4.8% reduction in the repair and remodel market
- Depreciation of local currencies against US$

1 *Comparisons are of the 3rd quarter of the current fiscal year versus the 3rd quarter of the prior fiscal year*

2 *Prior period amounts have been restated to conform with current year refined methodology for calculating the change in average net sales price*

ASIA PACIFIC FIBRE CEMENT

3rd Quarter Result [1]

Net Sales	down	6% to US$90.6 million
Sales Volume	up/flat	Slight increase to 100.3mmsf from 100.2mmsf
Average Price [2]	up	6% to A$963 per msf
EBIT [3]	up	11% to US$21.3 million
A$ EBIT [3]	up	21% to A$22.8 million
EBIT Margin [3]	up	3.5 pts to 23.5%

[1] *Comparisons are of the 3rd quarter of the current fiscal year versus the 3rd quarter of the prior fiscal year*

[2] *Prior period amounts have been restated to conform with current year refined methodology for calculating the change in average net sales price*

[3] *Excludes New Zealand product liability benefit of US$4.2 million and expense of US$7.5 million in the 3rd quarter of the current fiscal year and 3rd quarter of the prior fiscal year, respectively*

ASIA PACIFIC FIBRE CEMENT

Nine Months Result [1]

Net Sales	down	1% to US$278.0 million
Sales Volume	up	4% to 310.3 mmsf
Average Price [2]	up	4% to A$937 per msf
EBIT [3]	up	11% to US$64.5 million
A$ EBIT [3]	up	21% to A$68.2 million
EBIT Margin [3]	up	2.4 pts to 23.2%

[1] *Comparisons are of the nine months of the current fiscal year versus the nine months of the prior fiscal year*

[2] *Prior period amounts have been restated to conform with current year refined methodology for calculating the change in average net sales price*

[3] *Excludes New Zealand product liability expenses of US$0.7 million and US$13.2 million in the nine months of the current fiscal year and nine months of the prior fiscal year, respectively*

GROUP OUTLOOK

USA and Europe Fibre Cement

- The US operating environment continues to reflect an increasing number of housing starts
- The company is continuing with its plan to expand production capacity through new capital investments and re-commissioning of idled facilities in future periods
- Full year FY14 EBIT margin is expected to be above 20%, absent major adverse external factors

Asia Pacific Fibre Cement

- In Australia, approvals for detached homes continues to increase, however the repair and remodel market continues to decline. Thus, business is expected to track in line with any growth in the detached housing market, and be impacted by positive/negative movements in the repair and remodel market
- In New Zealand, the housing market continues to improve, particularly in the Auckland and Christchurch areas

MANUFACTURING CAPACITY EXPANSION

USA and Europe Fibre Cement

- The company continues to refurbish its Fontana, California plant at a cost of US$37.9 million to date. The company intends recommencement of production with a nominal capacity of 250 mmsf[1] in the fourth quarter of fiscal 2014
- A fourth sheet machine and ancillary facilities at the Plant City, Florida location approved, with an estimated investment of US$65 million with nominal capacity of 300 mmsf[1]
- A third sheet machine and ancillary facilities at the Cleburne, Texas location approved, with an estimated investment of US$37 million with nominal capacity of 200 mmsf[1]
- Plant City and Cleburne expansions are expected to be commissioned by the first half of fiscal 2015

Asia Pacific Fibre Cement

- In Q1 FY2014, James Hardie acquired the previously-leased land and buildings at its existing Carole Park (Brisbane) plant and is expanding production capacity at the site at an estimated investment of A$89 million
- New production capacity on-track to be fully operational in first half of fiscal year 2015

[1] *Nominal capacities are based on production of 5/16" HardieZone 10 product, without regard to actual or anticipated product mix*

FINANCIAL REVIEW

Matt Marsh, CFO

HIGHLIGHTS

- Earnings impacted by:
  - Higher volumes and average net sales price in local currencies
  - Higher EBIT and EBIT margins in all major business units
  - A benefit from asbestos adjustments of US$126.2 million during the nine month period primarily as a result of the 14% depreciation of the A$/US$ spot exchange rate at 31 December 2013 versus 31 March 2013
  - Favorable movement in the accounting provision for legacy product liability claims in New Zealand, resulting in a benefit of US$4.2 million and expense of US$0.7 million for the quarter and nine months ended 31 December 2013, respectively
- Increase in net operating cash flow to US$254.7 million for the current nine month period compared to US$83.3 million in the prior corresponding period
- Increase of US$31.5 million in capital expenditure to US$73.3 million for the nine months ended 31 December 2013 when compared to the prior corresponding period
- The company today announced a 125 year anniversary special dividend of US28.0 cents per share (approximately US$125 million) in recognition of the company's 125 year anniversary

RESULTS – Q3

US$ Millions	Q3 '14	Q3 '13	% Change
Net sales	**353.2**	**320.4**	**10**
Gross profit	**121.5**	**96.2**	**26**
SG&A expenses	(53.8)	(59.7)	10
Research & development expenses	(8.7)	(9.9)	12
Asset impairments	-	(5.8)	
Asbestos adjustments	35.8	11.7	
EBIT	**94.8**	**32.5**	
Net interest (expense) income	(0.4)	2.1	
Other income	1.2	0.5	
Income tax expense	(3.4)	(3.6)	6
Net operating profit	**92.2**	**31.5**	

Highlights:

- Net sales and gross profit both favorably impacted by:
  - Higher sales volumes; and
  - Higher average net sales prices in local currencies
- SG&A expenses decreased:
  - Primarily due to a decrease in legacy New Zealand product liability settlements
  - Partially offset by higher corporate costs
- Asbestos adjustments were impacted by depreciation in the Australian dollar exchange rate against the US dollar when compared to the prior corresponding period end

RESULTS – Q3 (CONTINUED)

US$ Millions	Q3 '14	Q3 '13	% Change
Net operating profit	92.2	31.5	
Asbestos:			
Asbestos adjustments	(35.8)	(11.7)	
Other asbestos [1]	(0.2)	(2.9)	93
Asset impairment	-	5.8	
ASIC expenses	-	0.1	
New Zealand product liability (benefit) expenses	(4.2)	7.5	
Asbestos and other tax adjustments	(8.3)	(3.6)	
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	**43.7**	**26.7**	**64**

Highlights:

- Legacy New Zealand product liability moved from a US$7.5 million expense in the prior corresponding quarter to a US$4.2 million benefit in the current quarter, driven by favorable settlements during the current quarter
- Asbestos adjustments driven by the effect of foreign exchange rate movements
- Net operating profit excluding asbestos, asset impairments, ASIC expenses, and New Zealand product liability increased 64%

[1] *Includes AICF SG&A expenses and AICF interest income*

RESULTS – NINE MONTHS

US$ Millions	9 Months FY 2014	9 Months FY 2013	% Change
Net sales	**1,117.4**	**994.5**	**12**
Gross profit	**380.9**	**317.5**	**20**
SG&A expenses	(162.5)	(160.6)	(1)
Research & development expenses	(25.1)	(27.8)	10
Asset impairments	-	(5.8)	
Asbestos adjustments	126.2	14.5	
EBIT	**319.5**	**137.8**	
Net interest (expense) income	(0.7)	2.3	
Other income	1.4	1.2	17
Income tax expense	(33.9)	(26.3)	(29)
Net operating profit	**286.3**	**115.0**	

Highlights:

- Net sales and gross profit both favorably impacted by:
  - Higher sales volumes; and
  - Higher average net sales prices in local currencies
- R&D expenses decreased during the nine months primarily as a result of the completion of certain core projects
- Asbestos adjustments at 31 December 2013 were impacted by foreign exchange rate movements

RESULTS – NINE MONTHS (CONTINUED)

US$ Millions	9 Months FY 2014	9 Months FY 2013	% Change
Net operating profit	286.3	115.0	
Asbestos:			
Asbestos adjustments	(126.2)	(14.5)	
Other asbestos [1]	(1.0)	(4.4)	77
Asset impairments	-	5.8	
ASIC expenses	-	0.5	
New Zealand product liability expenses	0.7	13.2	(95)
Asbestos and other tax adjustments	(7.8)	(6.2)	(26)
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	**152.0**	**109.4**	**39**
Diluted earnings per share excluding asbestos, asset imparments, ASIC expenses, New Zealand product liability and tax adjustments (US cents)	34.4	24.9	38

[1] *Includes AICF SG&A expenses and AICF interest income*

Highlights:

- Improved headline net operating profit driven by higher net sales and gross profit
- Asbestos adjustments driven by the effect of foreign exchange rate movements
- Legacy New Zealand product liability expenses for the nine months decreased compared to the prior corresponding period due to:
  - Reduced number of new claims
  - Favorable settlements during 3rd quarter of current fiscal year
- Excluding asbestos, asset impairments, ASIC expenses, and New Zealand product liability, net operating profit increased 39%

SEGMENT EBIT – Q3

US$ Millions	Q3 '14	Q3 '13	% Change
USA and Europe Fibre Cement exluding asset impairments	53.1	30.4	75
Asia Pacific Fibre Cement, excluding New Zealand product liability expenses	21.3	19.2	11
Research & Development [1]	(6.4)	(6.8)	6
Total segment EBIT excluding asset impairments and New Zealand product liability expenses	**68.0**	**42.8**	**59**
General corporate costs excluding ASIC expenses[2]	(12.8)	(8.1)	(58)
Total EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability expenses	**55.2**	**34.7**	**59**
Asbestos adjustments	35.8	11.7	
AICF SG&A expenses	(0.4)	(0.5)	20
Asset impairments	-	(5.8)	
ASIC expenses	-	(0.1)	
New Zealand product liability benefit (expenses)	4.2	(7.5)	
Total EBIT	**94.8**	**32.5**	

Highlights:

- Adjusted USA and Europe Fibre Cement EBIT margin increased 6.7 percentage points to 20.2%
- Adjusted Asia Pacific Fibre Cement EBIT margin increased 3.5 percentage points to 23.5%
- General corporate costs were higher compared to the prior corresponding quarter primarily due to an increase in salary and compensation expenses

[1] *Research and development expenses include costs associated with 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*

[2] *Refer slide 44 for further information*

SEGMENT EBIT – NINE MONTHS

US$ Millions	9 Months FY 2014	9 Months FY 2013	% Change
USA and Europe Fibre Cement excluding asset impairments	179.8	124.7	44
Asia Pacific Fibre Cement excluding New Zealand product liability	64.5	58.2	11
Research & Development [1]	(18.0)	(19.1)	6
Total segment EBIT excluding asset impairments and New Zealand product liability	**226.3**	**163.8**	**38**
General corporate costs excluding ASIC expenses [2]	(30.9)	(19.8)	(56)
Total EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	**195.4**	**144.0**	**36**
Asbestos adjustments	126.2	14.5	
AICF SG&A expenses	(1.4)	(1.2)	(17)
ASIC expenses	-	(0.5)	
New Zealand product liaiblity expenses	(0.7)	(13.2)	95
Total EBIT	**319.5**	**137.8**	

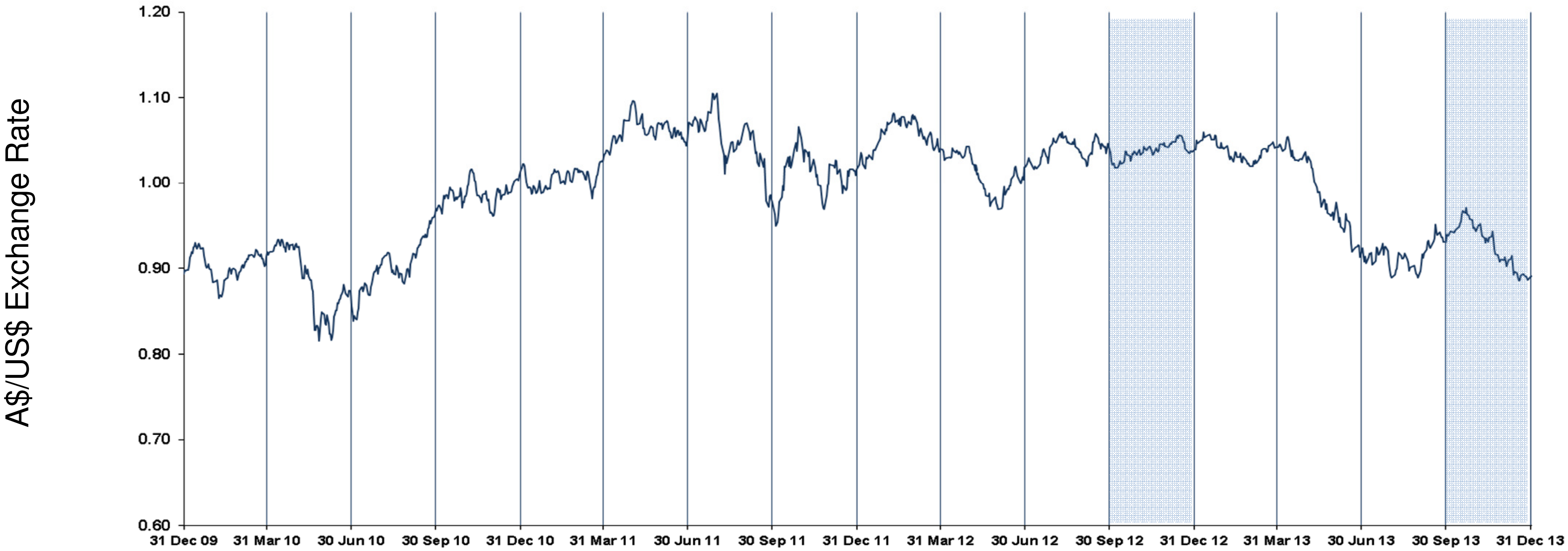
Highlights:

- Adjusted USA and Europe Fibre Cement EBIT margin increased 3.9 percentage points to 21.4%
- Adjusted Asia Pacific Fibre Cement EBIT margin increased 2.4 percentage points to 23.2%
- General corporate costs were higher compared to the prior corresponding period primarily due to an increase in salary and compensation expenses. Additionally, the prior period was favourably impacted by a number of non-recurring items.

[1] *Research and development expenses include costs associated with 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*

[2] *Refer slide 45 for further information*

CHANGES IN A$ VERSUS US$



	Earnings	Balance Sheet
• Unfavourable impact from translation of Asia Pacific results – Q314 vs Q313	√	N/A
• Favorable impact on corporate costs incurred in Australian dollars – Q314 vs Q313	√	N/A
• Favourable impact from translation of asbestos liability balance – 31 December 2013 vs 31 March 2013	√	√

INCOME TAX EXPENSE – Q3

US$ Millions	Q3 '14	Q3 '13
Operating profit before income taxes	95.6	35.1
Asbestos:		
Asbestos adjustments	(35.8)	(11.7)
Other asbestos [1]	(0.2)	(2.9)
Asset impairments	-	5.8
New Zealand product liability (benefit) expenses	(4.2)	7.5
Operating profit before income taxes excluding asbestos, asset imparments and New Zealand product liability	55.4	33.8
Income tax expense	(3.4)	(3.6)
Asbestos related and other tax adjustments	(8.3)	(3.6)
Income tax expense excluding tax adjustments	(11.7)	(7.2)
Effective tax rate excluding asbestos, asset impairments, New Zealand product liability and tax adjustments	21.1%	21.3%

[1] *Includes AICF SG&A expenses and AICF interest income*

Highlights:

- Income tax expense excluding asbestos-related and other tax adjustments for the quarter increased due to higher taxable earnings.
- Effective tax rate excluding asbestos, asset impairments, New Zealand product liability, and tax adjustments decreased slightly compared to the prior corresponding quarter
- Asbestos related and other tax adjustments include additional interest receivable from the ATO of US$15.4 million in connection with finalization of the RCI 1999 Amended Assessment

INCOME TAX EXPENSE – NINE MONTHS

US$ Millions	9 Months FY 2014	9 Months FY 2013
Operating profit before income taxes	320.2	141.3
Asbestos:		
Asbestos adjustments	(126.2)	(14.5)
Other asbestos [1]	(1.0)	(4.4)
Asset impairments	-	5.8
New Zealand product liability expenses	0.7	13.2
Operating profit before income taxes excluding asbestos, asset impairments and New Zealand product liability	193.7	141.4
Income tax expense	(33.9)	(26.3)
Asbestos related and other tax adjustments	(7.8)	(6.2)
Income tax expense excluding tax adjustments	(41.7)	(32.5)
Effective tax rate excluding asbestos, asset impairments, New Zealand product liability and tax adjustments	21.5%	23.0%

Highlights:

- Effective tax rate excluding asbestos, asset impairments, New Zealand product liability and tax adjustments decreased due to an increase in taxable earnings relative to recurring tax adjustments

[1] *Includes AICF SG&A expenses and AICF interest income*

CASHFLOW [1]

US$ Millions	9 Months FY 2014	9 Months FY 2013
EBIT	**319.5**	**137.8**
Non-cash items:		
Asbestos adjustments	(126.2)	(14.5)
Asset impairments	-	5.8
Other non-cash items	51.2	52.3
Net working capital movements	24.3	30.8
Cash Generated By Trading Activities	**268.8**	**212.2**
Tax payments, net	(22.9)	(85.0)
Change in other non-trading assets and liabilities	13.4	145.9
Change in asbestos-related assets & liabilities	(1.0)	(4.4)
Payment to the AICF	-	(184.1)
Interest paid	(3.6)	(1.3)
Net Operating Cash Flow	**254.7**	**83.3**
Purchases of property, plant & equipment	(68.5)	(41.8)
Proceeds from sale of property, plant & equipment	0.6	0.5
Acquisition of business	(4.1)	-
Common stock repurchased and retired	(5.1)	-
Dividends paid	(163.6)	(166.4)
Proceeds from issuance of shares	15.1	20.8
Tax benefit from stock options exercised	1.1	0.9
Effect of exchange rate on cash	1.3	(3.2)
Movement In Net Cash	**31.5**	**(105.9)**
Beginning Net Cash	153.7	265.4
Ending Net Cash	**185.2**	**159.5**

[1] *Certain reclassifications have been reflected in the prior period to conform with current period presentation*

CAPITAL EXPENDITURE

US$ Millions	9 Months FY 2014	9 Months FY 2013	% Change
USA and Europe Fibre Cement (including Research and Development)	48.3	34.1	42
Asia Pacific Fibre Cement	25.0	7.7	
Total	**73.3**	**41.8**	**75**

- In Q1 FY14, the company completed the purchase of the previously-leased land and buildings at Carole Park, Brisbane plant and commenced projects to increase the plant's production capacity
- The company continues to refurbish its Fontana, California plant at a cost of US$37.9 million to date. The company intends recommencement of production in the fourth quarter of fiscal 2014
- Capital expenditures include capital assets of US$4.8 million related to the fibreglass window business acquisition.

Capital Management Framework

Objectives

- To optimize JHX capital structure with a view towards a target net debt position in the range of 1-2 times Adjusted EBITDA[1]

Strategy

- While reinvesting in R&D and capacity expansion required for growth;
- Provide consistent dividend payments with the payout ratio of 50-70% of NPAT excluding asbestos,
- More aggressive approach 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
- Strong cash flow generation expected to continue, and grow
    - ✓ Fund CAPEX and reinvestment in the company
    - ✓ Maintain flexibility to capitalize on market and strategic opportunities

[1] *Adjusted EBITDA is defined as EBITDA excluding asbestos*

CAPITAL MANAGEMENT AND DIVIDENDS

Dividends

- The company announced today a 125 year anniversary special dividend of US28.0 cents per security in recognition of the company's 125 year anniversary
  - Declared in US currency and will be paid on 30 May 2014 with a record date of 21 March 2014
- Effective from and including FY14, dividend payout ratio increased from between 30% and 50% to between 50% and 70% of annual NPAT excluding asbestos adjustments
  - On 14 November 2013, the company announced an ordinary dividend of US8.0 cents per security, up from US5.0 cents per security in the prior corresponding fiscal year. The dividend was declared in US currency and will be paid on 28 March 2014
- An ordinary dividend of US13.0 cents per security and a special dividend of US24.0 cents per security were paid on 26 July 2013 from FY13 earnings. Total dividends paid was US$163.6 million

Share Buybacks

- In May 2013, the company announced a new share buyback program to acquire up to 5% of its issued capital during the following 12 months
- As of today, the Company repurchased a total of 1,139,214 shares of its common stock, with an aggregate cost of A$13.6 million (US$12.2 million), at an average market price of A$11.94 (US$10.75)

DEBT

At 31 December 2013:

US$ Millions		
Total facilities		405.0
Gross debt	-	
Cash	185.2	
Net cash		185.2
Unutilised facilities and cash		**590.2**

- Weighted average remaining term of debt facilities was 2.3 years at 31 December 2013, down from 3.1 years at 31 March 2013
- On 14 February 2014, US$50.0 million of the unutilized credit facility expired. The company intends to replace the expired credit facility in the near future
- James Hardie remains well within its financial debt covenants
- Net cash of US$185.2 million compared to net cash of US$153.7 million at 31 March 2013

NZ PRODUCT LIABILITY CLAIMS AND NZ MOE REPRESENTATIVE ACTION

New Zealand Product Liability claims:

- Since FY02 James Hardie NZ subsidiaries have been joined to product liability claims that relate to buildings primarily constructed from 1998 to 2004
- These claims often involve multiple parties and allege losses due to excessive moisture penetration
- At 31 December 2013 and 31 March 2013, the total provision for these matters collectively, net of estimated third-party recoveries was US$11.6 million and US$15.2 million, respectively
- The company recognized a benefit of US$4.2 million in the current quarter due to favourable activity in the three months ended 31 December 2013. For the nine months, the company recognized an expense of US$0.7 million to reflect the movements in the provisions for new and existing claims during the current fiscal year

New Zealand Ministry of Education (MOE) representative action:

- On 16 April 2013, the MOE filed a ‘representative action’ against two James Hardie NZ subsidiaries and other parties
- On 23 December 2013, the company finalized a commercial settlement with the MOE. The settlement did not have a material adverse effect on the company's financial position, results of operations or cash flows

ASBESTOS FUND – PROFORMA (UNAUDITED)

A$ millions	
AICF cash and investments - 31 March 2013	128.1
Insurance and cross-claim recoveries	18.8
Interest and investment income	3.4
Proceeds from loan facility	25.3
Claims paid	(104.6)
Operating costs	(3.2)
Other	1.6
AICF cash and investments - 31 December 2013	69.4

- Year to date claims experience of liable entities is adverse relative to the 31 March 2013 actuarial forecast for FY2014 and relative to the prior corresponding period. Specifically, both primary claims and cross-claims (from other defendants) are tracking higher for mesothelioma
- Readers are referred to Note 7 of the company's 31 December 2013 Condensed Consolidated Financial Statements for further information on asbestos claims experience

FY2014 GUIDANCE

- Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2014 is between US$189 million and US$202 million[1]

- Management expects full year earnings excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments to be between US$190 million and US$200 million

- Guidance is dependent on, among other things, housing industry conditions in the US continuing to improve and an average exchange rate of approximately US$0.89/A$1.00 applies for the balance of the year ending 31 March 2014

- Although US housing activity has been improving for some time, 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

[1] ***Analysts' forecasts as of 10 February 2014***

SUMMARY

- Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments was US$43.7 million and US$152.0 million, for the quarter and nine months, respectively
- The 3rd quarter results reflected:
    - Higher volume in the USA and Europe Fibre Cement segment and higher average net sales prices in local currencies, in both the USA and Europe and the Asia Pacific Fibre Cement segments
    - Higher EBIT margins, with USA and Europe Fibre Cement excluding asset impairments, up 6.7 percentage points to 20.2% and Asia Pacific Fibre Cement EBIT margin excluding New Zealand product liability up 3.5 percentage points to 23.5%
- Ongoing investment in production capacity expansion of the Fontana, California plant and additional expansion projects at the Cleburne, Texas and Plant City, Florida plants
- Announced a special dividend of US28.0 cents per security in recognition of all the company's 125 year anniversary
- Dividends of US$163.6 million paid in July 2013 and the FY2014 first half dividend of US$35.5 million to be paid in March 2014

QUESTIONS

APPENDIX

FINANCIAL SUMMARY

US$ Millions	Q3 '14	Q3 '13	% Change	9 Months FY 2014	9 Months FY 2013	% Change
Net Sales						
USA and Europe Fibre Cement	$ 262.6	$ 224.5	17	$ 839.4	$ 714.6	17
Asia Pacific Fibre Cement	90.6	95.9	(6)	278.0	279.9	(1)
Total Net Sales	$ 353.2	$ 320.4	10	$ 1,117.4	$ 994.5	12
EBIT - US$ Millions						
USA and Europe Fibre Cement [1]	$ 53.1	$ 30.4	75	$ 179.8	$ 124.7	44
Asia Pacific Fibre Cement [2]	21.3	19.2	11	64.5	58.2	11
Research & Development	(6.4)	(6.8)	6	(18.0)	(19.1)	6
General corporate costs excluding asbestos and ASIC expenses	(12.8)	(8.1)	(58)	(30.9)	(19.8)	(56)
Total EBIT excluding asbestos, asset imparments, ASIC expenses and New Zealand product liability	$ 55.2	$ 34.7	59	$ 195.4	$ 144.0	36
Net interest expense excluding AICF interest income	(1.0)	(1.3)	23	(3.1)	(3.3)	6
Other income	1.2	0.5		1.4	1.2	17
Income tax expense excluding tax adjustments	(11.7)	(7.2)	(63)	(41.7)	(32.5)	(28)
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	$ 43.7	$ 26.7	64	$ 152.0	$ 109.4	39

1 *Excludes asset impairments charges of US$5.8 million in the 3rd quarter and nine months of the prior fiscal year.*

2 *Asia Pacific Fibre Cement EBIT excludes New Zealand product benefit of US$4.2 million and expense US$7.5 million in Q3 '14 and Q3 '13, respectively and US$0.7 million and US$13.2 million in nine months FY14 and nine months FY13, respectively*

KEY RATIOS

	9 Months FY2014	9 Months FY2013	9 Months FY2012
EPS (Diluted)[1]	34c	25c	25c
EBIT/ Sales (EBIT margin)[2]	17.5%	14.5%	16.5%
Gearing Ratio[1]	(13.4)%	(13.9)%	(2.0)%
Net Interest Expense Cover[2]	63.0x	43.6x	25.9x
Net Interest Paid Cover[2]	65.1x	110.8x	25.1x
Net Debt Payback	-	-	-

[1] *Excludes asbestos adjustments, asset impairments, AICF SG&A expenses, AICF interest income, ASIC expenses, New Zealand product liability and tax adjustments*

[2] *Excludes asbestos adjustments, asset impairments, AICF SG&A expenses, ASIC expenses, New Zealand product liability*

EBITDA – Q3

US$ Millions	Q3 '14	Q3 '13	% Change
EBIT			
USA and Europe Fibre Cement [1]	53.1	30.4	75
Asia Pacific Fibre Cement [2]	21.3	19.2	11
Research & Development	(6.4)	(6.8)	6
General corporate excluding ASIC expenses	(12.8)	(8.1)	(58)
Depreciation and Amortisation			
USA and Europe Fibre Cement	13.5	14.7	(8)
Asia Pacific Fibre Cement	2.1	2.6	(19)
Total EBITDA excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability expenses	**70.8**	**52.0**	**36**
Asbestos adjustments	35.8	11.7	
AICF SG&A expenses	(0.4)	(0.5)	20
Asset impairments		(5.8)	
ASIC expenses	-	(0.1)	
New Zealand product liability benefit (expenses)	4.2	(7.5)	
Total EBITDA	**110.4**	**49.8**	

[1] *Excludes asset impairments charges of US$5.8 million in the 3rd quarter of the prior fiscal year*

[2] *Excludes New Zealand product benefit of US$4.2 million and expense US$7.5 million in Q3 FY14 and Q3 FY13, respectively*

EBITDA – NINE MONTHS

US$ Millions	9 Months FY 2014	9 Months FY 2013	% Change
EBIT			
USA and Europe Fibre Cement [1]	179.8	124.7	44
Asia Pacific Fibre Cement [2]	64.5	58.2	11
Research & Development	(18.0)	(19.1)	6
General corporate excluding ASIC expenses	(30.9)	(19.8)	(56)
Depreciation and Amortisation			
USA and Europe Fibre Cement	40.1	40.6	(1)
Asia Pacific Fibre Cement	6.1	7.4	(18)
Total EBITDA excluding asbestos, asset imparments, ASIC expenses and New Zealand product liability	**241.6**	**192.0**	**26**
Asbestos adjustments	126.2	14.5	
AICF SG&A expenses	(1.4)	(1.2)	(17)
Asset impairments	-	(5.8)	
ASIC expenses	-	(0.5)	
New Zealand product liability expenses	(0.7)	(13.2)	95
Total EBITDA	**365.7**	**185.8**	**97**

[1] *Excludes asset impairments charges of US$5.8 million in the nine months of the prior fiscal year*

[2] *Excludes New Zealand product expenses of US$0.7 million and expense US$13.2 million in the nine months FY14 and nine months FY13, respectively*

GENERAL CORPORATE COSTS – Q3

US$ Millions

	Q3 '14	Q3 '13	% Change
Stock compensation expense	4.6	3.1	(48)
Other costs	8.2	5.0	(64)
General corporate costs excluding ASIC expenses	**12.8**	**8.1**	**(58)**
ASIC expenses	-	0.1	
General corporate costs	12.8	8.2	(56)

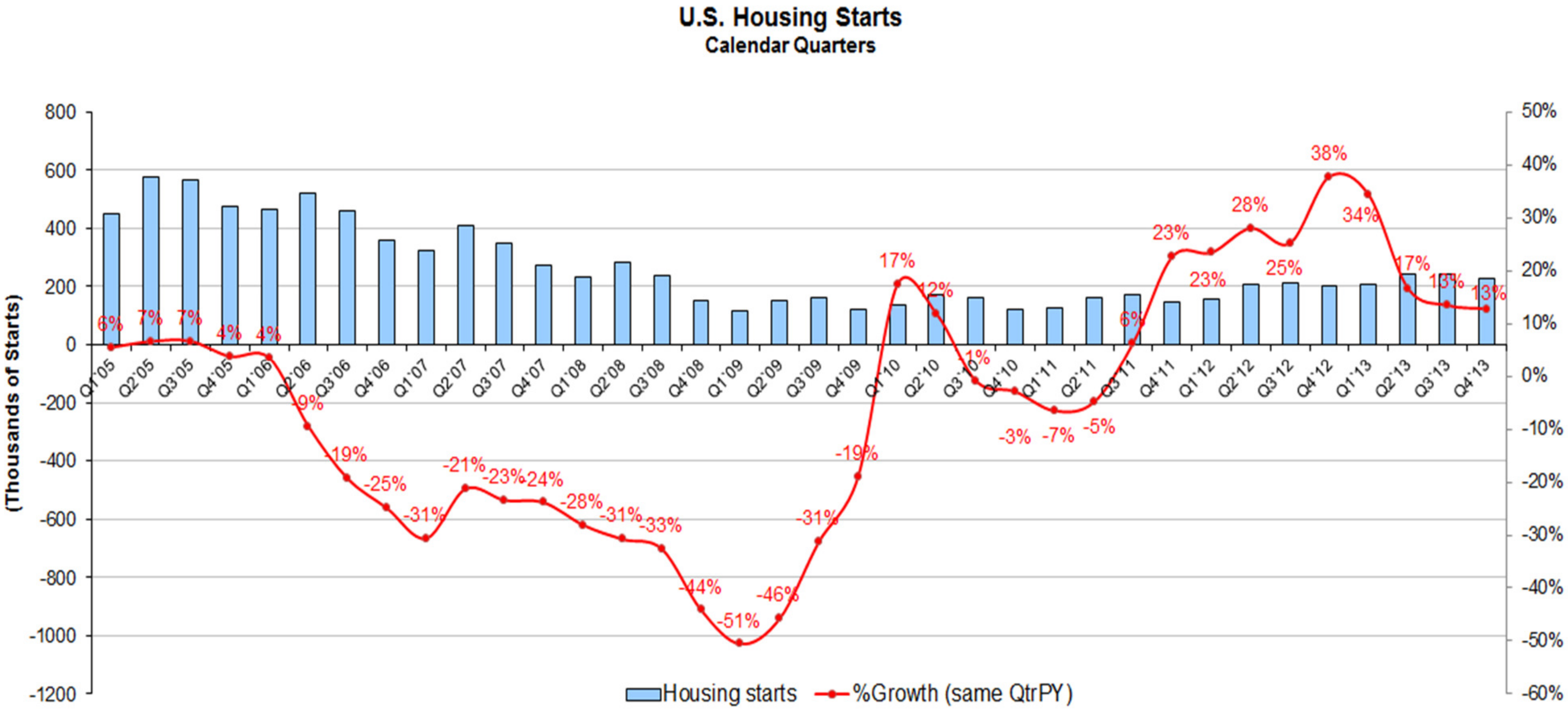
GENERAL CORPORATE COSTS – NINE MONTHS

US$ Millions	9 Months FY 2014	9 Months FY 2013	% Change
Stock compensation expense	8.3	8.7	5
Other costs	22.6	19.3	(17)
General corporate costs excluding ASIC expenses, recovery of RCI legal costs and intercompany foreign exchange gain	**30.9**	**28.0**	**(10)**
ASIC expenses	-	0.5	
Recovery of RCI legal costs	-	(2.7)	
Intercompany foreign exchange gain	-	(5.5)	
General corporate costs	30.9	20.3	(52)

NET INTEREST (EXPENSE) INCOME

US$ Millions	Q3 '14	Q3 '13	9 Months FY 2014	9 Months FY 2013
Gross interest expense	(1.0)	(0.9)	(3.0)	(2.5)
Interest income	0.2	0.1	0.4	0.7
Realised loss on interest rate swaps	(0.2)	(0.5)	(0.5)	(1.5)
Net interest expense excluding AICF interest income	**(1.0)**	**(1.3)**	**(3.1)**	**(3.3)**
AICF interest income	0.6	3.4	2.4	5.6
Net interest (expense) income	(0.4)	2.1	(0.7)	2.3

TOTAL US HOUSING STARTS



ENDNOTES

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 Condensed Consolidated Financial Statements

Definitions

Non-financial Terms

ABS – Australian Bureau of Statistics

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

ASIC – Australian Securities and Investments Commission

ATO – Australian Taxation Office

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

Legacy New Zealand product liability benefit (expenses) ("New Zealand product liability") – 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

ENDNOTES (CONTINUED)

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-U.S. GAAP descriptions used by Australian companies.

ENDNOTES (CONTINUED)

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

EBIT and EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability – EBIT and EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability 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 focussed 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
EBIT	$ 94.8	$ 32.5	$ 319.5	$ 137.8
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
Asset impairments	-	5.8	-	5.8
ASIC expenses	-	0.1	-	0.5
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
EBIT excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	55.2	34.7	195.4	144.0
Net sales	$ 353.2	$ 320.4	$ 1,117.4	$ 994.5
EBIT margin excluding asbestos, asset impairments, ASIC expenses and New Zealand product liability	15.6%	10.8%	17.5%	14.5%

NON-US GAAP FINANCIAL MEASURES (CONTINUED)

<u>Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments</u> – Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Net operating profit	$ 92.2	$ 31.5	$ 286.3	$ 115.0
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
AICF interest income	(0.6)	(3.4)	(2.4)	(5.6)
Asset impairments	-	5.8	-	5.8
ASIC expenses	-	0.1	-	0.5
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
Asbestos and other tax adjustments	(8.3)	(3.6)	(7.8)	(6.2)
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	$ 43.7	$ 26.7	$ 152.0	$ 109.4

NON-US GAAP FINANCIAL MEASURES (CONTINUED)

Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments – Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Net operating profit excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments	$ 43.7	$ 26.7	$ 152.0	$ 109.4
Weighted average common shares outstanding - Diluted (millions)	445.2	440.3	444.2	439.0
Diluted earnings per share excluding asbestos, asset impairments, ASIC expenses, New Zealand product liability and tax adjustments (US cents)	10	6	34	25

NON-US GAAP FINANCIAL MEASURES (CONTINUED)

<u>Effective tax rate excluding asbestos, asset impairments, New Zealand product liability and tax adjustments</u> – Effective tax rate on earnings excluding asbestos, asset impairments, New Zealand product liability and tax adjustments 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 focussed on the performance of its ongoing operations. Management uses this non-US GAAP measure for the same purposes

US$ Millions	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Operating profit before income taxes	$ 95.6	$ 35.1	$ 320.2	$ 141.3
Asbestos:				
Asbestos adjustments	(35.8)	(11.7)	(126.2)	(14.5)
AICF SG&A expenses	0.4	0.5	1.4	1.2
AICF interest income	(0.6)	(3.4)	(2.4)	(5.6)
Asset impairments	-	5.8	-	5.8
New Zealand product liability (benefit) expenses	(4.2)	7.5	0.7	13.2
Operating profit before income taxes excluding asbestos, asset impairments and New Zealand product liability	$ 55.4	$ 33.8	$ 193.7	$ 141.4
Income tax expense	(3.4)	(3.6)	(33.9)	(26.3)
Asbestos-related and other tax adjustments	(8.3)	(3.6)	(7.8)	(6.2)
Income tax expense excluding tax adjustments	(11.7)	(7.2)	(41.7)	(32.5)
Effective tax rate	3.6%	10.3%	10.6%	18.6%
Effective tax rate excluding asbestos, asset impairments, New Zealand product liability, and tax adjustments	21.1%	21.3%	21.5%	23.0%

NON-US GAAP FINANCIAL MEASURES (CONTINUED)

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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
EBIT	$ 94.8	$ 32.5	$ 319.5	$ 137.8
Depreciation and amortisation	15.6	17.3	46.2	48.0
Adjusted EBITDA	$ 110.4	$ 49.8	$ 365.7	$ 185.8

NON-US GAAP FINANCIAL MEASURES (CONTINUED)

General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs – General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than general corporate costs. Management has included these financial measures to provide investors with an alternative method for assessing its operating results in a manner that is focussed 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
General corporate costs	$ 12.8	$ 8.2	$ 30.9	$ 20.3
Excluding:				
ASIC expenses	-	(0.1)	-	(0.5)
Intercompany foreign exchange gain	-	-	-	5.5
Recovery of RCI legal costs	-	-	-	2.7
General corporate costs excluding ASIC expenses, intercompany foreign exchange gain and recovery of RCI legal costs	$ 12.8	$ 8.1	$ 30.9	$ 28.0

NON-US GAAP FINANCIAL MEASURES (CONTINUED)

Selling, general and administrative expenses excluding New Zealand product liability – Selling, general and administrative expenses excluding New Zealand product liability 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 focussed 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	Q3 FY 2014	Q3 FY 2013	9 Months FY 2014	9 Months FY 2013
Selling, general and administrative expenses	$ 53.8	$ 59.7	$ 162.5	$ 160.6
Excluding:				
New Zealand product liability benefit (expenses)	4.2	(7.5)	(0.7)	(13.2)
Selling, general and administrative expenses excluding New Zealand product liability	$ 58.0	$ 52.2	$ 161.8	$ 147.4
Net Sales	$ 353.2	$ 320.4	$ 1,117.4	$ 994.5
Selling, general and administrative expenses as a percentage of net sales	15.2%	18.6%	14.5%	16.1%
Selling, general and administrative expenses excluding New Zealand product liability as a percentage of net sales	16.4%	16.3%	14.5%	14.8%

Q3 FY14 MANAGEMENT PRESENTATION

28 February 2014

James Hardie Industries plc

Condensed Consolidated Financial Statements
as of and for the Period Ended 31 December 2013

James Hardie Industries plc
Index

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Item 1. Condensed Consolidated Financial Statements (Unaudited)

James Hardie Industries plc
Condensed Consolidated Balance Sheets
(Unaudited)

(Millions of US dollars)

	31 December 2013	31 March 2013
Assets		
Current assets:		
Cash and cash equivalents	**$ 185.2**	$ 153.7
Restricted cash and cash equivalents	**3.2**	2.5
Restricted cash and cash equivalents - Asbestos	**61.9**	126.4
Restricted short-term investments - Asbestos	**0.1**	7.1
Accounts and other receivables, net of allowance for doubtful accounts of US$1.7 million and US$2.1 million, as of 31 December 2013 and 31 March 2013, respectively	**113.0**	149.0
Inventories	**184.5**	172.1
Prepaid expenses and other current assets	**21.4**	19.2
Insurance receivable - Asbestos	**16.2**	22.2
Workers' compensation - Asbestos	**0.8**	0.9
Deferred income taxes	**16.0**	24.9
Deferred income taxes - Asbestos	**16.0**	18.6
Total current assets	**618.3**	696.6
Restricted cash and cash equivalents	**1.8**	2.5
Property, plant and equipment, net	**678.2**	658.9
Insurance receivable - Asbestos	**171.0**	209.4
Workers' compensation - Asbestos	**52.0**	60.7
Deferred income taxes	**11.0**	20.6
Deferred income taxes - Asbestos	**358.4**	434.1
Other assets	**27.8**	30.4
Total assets	**$ 1,918.5**	$ 2,113.2
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 121.0**	$ 103.7
Current portion of long-term debt - Asbestos	**22.7**	-
Dividends payable	**35.5**	-
Accrued payroll and employee benefits	**42.2**	44.0
Accrued product warranties	**10.4**	6.6
Income taxes payable	**4.7**	6.0
Asbestos liability	**115.8**	135.0
Workers' compensation - Asbestos	**0.8**	0.9
Other liabilities	**21.8**	26.7
Total current liabilities	**374.9**	322.9
Deferred income taxes	**91.4**	95.4
Accrued product warranties	**21.4**	20.5
Asbestos liability	**1,241.8**	1,558.7
Workers' compensation - Asbestos	**52.0**	60.7
Other liabilities	**31.3**	36.8
Total liabilities	**1,812.8**	2,095.0
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Common stock, Euro 0.59 par value, 2.0 billion shares authorised; 443,536,551 shares issued at 31 December 2013 and 441,644,484 shares issued at 31 March 2013	**229.0**	227.3
Additional paid-in capital	**121.3**	101.1
Accumulated deficit	**(275.1)**	(357.6)
Accumulated other comprehensive income	**30.5**	47.4
Total shareholders' equity	**105.7**	18.2
Total liabilities and shareholders' equity	**$ 1,918.5**	$ 2,113.2

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

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

(Millions of US dollars, except per share data)	Three Months Ended 31 December **2013**	Three Months Ended 31 December 2012	Nine Months Ended 31 December **2013**	Nine Months Ended 31 December 2012
Net sales	**$ 353.2**	$ 320.4	**$ 1,117.4**	$ 994.5
Cost of goods sold	**(231.7)**	(224.2)	**(736.5)**	(677.0)
Gross profit	**121.5**	96.2	**380.9**	317.5
Selling, general and administrative expenses	**(53.8)**	(59.7)	**(162.5)**	(160.6)
Research and development expenses	**(8.7)**	(9.9)	**(25.1)**	(27.8)
Asset impairments	**-**	(5.8)	**-**	(5.8)
Asbestos adjustments	**35.8**	11.7	**126.2**	14.5
Operating income	**94.8**	32.5	**319.5**	137.8
Interest expense	**(1.1)**	(1.4)	**(3.4)**	(4.0)
Interest income	**0.7**	3.5	**2.7**	6.3
Other income	**1.2**	0.5	**1.4**	1.2
Income before income taxes	**95.6**	35.1	**320.2**	141.3
Income tax expense	**(3.4)**	(3.6)	**(33.9)**	(26.3)
Net income	**$ 92.2**	$ 31.5	**$ 286.3**	$ 115.0
Net income per share				
Basic	**$ 0.21**	$ 0.07	**$ 0.65**	$ 0.26
Diluted	**$ 0.21**	$ 0.07	**$ 0.64**	$ 0.26
Weighted average common shares outstanding (Millions):				
Basic	**442.9**	440.0	**442.3**	438.6
Diluted	**445.2**	440.3	**444.2**	439.0
Comprehensive income:				
Net income	**$ 92.2**	$ 31.5	**$ 286.3**	$ 115.0
Unrealised gain on investments	**-**	0.1	**-**	0.9
Cash flow hedges, net of tax	**0.7**	-	**0.7**	-
Currency translation adjustments	**(5.7)**	(3.4)	**(17.6)**	(1.5)
Comprehensive income	**$ 87.2**	$ 28.2	**$ 269.4**	$ 114.4

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

James Hardie Industries plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(Millions of US dollars)	Nine Months Ended 31 December 2013	2012
Cash Flows From Operating Activities		
Net income	**$ 286.3**	$ 115.0
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortisation	**46.2**	48.0
Deferred income taxes	**19.0**	(6.8)
Stock-based compensation	**6.1**	5.2
Asbestos adjustments	**(126.2)**	(14.5)
Asset impairments	**-**	5.8
Tax benefit from stock options exercised	**(1.1)**	(0.9)
Changes in operating assets and liabilities:		
Restricted cash and cash equivalents	**73.1**	200.6
Restricted short-term investments	**6.3**	-
Payment to AICF	**-**	(184.1)
Accounts and other receivables	**27.8**	27.3
Inventories	**(17.7)**	8.2
Prepaid expenses and other assets	**2.2**	4.3
Insurance receivable - Asbestos	**17.8**	35.1
Accounts payable and accrued liabilities	**21.0**	(59.4)
Asbestos liability	**(100.5)**	(102.6)
Other accrued liabilities	**(5.6)**	2.1
Net cash provided by operating activities	**$ 254.7**	$ 83.3
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	**$ (68.5)**	$ (41.8)
Proceeds from sale of property, plant and equipment	**0.6**	0.5
Acquisition of business	**(4.1)**	-
Net cash used in investing activities	**$ (72.0)**	$ (41.3)
Cash Flows From Financing Activities		
Proceeds from long-term borrowings	**$ -**	$ 50.0
Repayments of long-term borrowings	**-**	(50.0)
Proceeds from issuance of shares	**15.1**	20.8
Tax benefit from stock options exercised	**1.1**	0.9
Common stock repurchased and retired	**(5.1)**	-
Dividends paid	**(163.6)**	(166.4)
Net cash used in financing activities	**$ (152.5)**	$ (144.7)
Effects of exchange rate changes on cash	**$ 1.3**	$ (3.2)
Net increase (decrease) in cash and cash equivalents	**31.5**	(105.9)
Cash and cash equivalents at beginning of period	**153.7**	265.4
Cash and cash equivalents at end of period	**$ 185.2**	$ 159.5
Components of Cash and Cash Equivalents		
Cash at bank and on hand	**$ 72.0**	$ 150.3
Short-term deposits	**113.2**	9.2
Cash and cash equivalents at end of period	**$ 185.2**	$ 159.5

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

1. Background and Basis of Presentation

Nature of Operations
James Hardie Industries plc manufactures and sells fibre cement building products for interior and exterior building construction applications, primarily in the United States, Australia, New Zealand, the Philippines and Europe.

Basis of Presentation
The Condensed Consolidated Financial Statements represent the financial position, results of operations and cash flows of James Hardie Industries plc and its wholly-owned subsidiaries and a special purpose entity, collectively referred to as either the "Company," or "James Hardie" or “JHI plc”, together with its subsidiaries as of the time relevant to the applicable reference, the “James Hardie Group,” unless the context indicates otherwise. These interim Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the notes thereto, included in the Company’s Annual Report on Form 20-F for the fiscal year ended 31 March 2013, which was filed with the United States Securities and Exchange Commission (“SEC”) on 27 June 2013.

The Condensed Consolidated Financial Statements included herein are unaudited; however, they contain all adjustments (all of which are normal and recurring) which, in the opinion of the Company’s management, are necessary to state fairly the Condensed Consolidated Balance Sheet of the Company at 31 December 2013 and 31 March 2013, the Condensed Consolidated Results of Operations and Comprehensive Income for the three months and nine months ended 31 December 2013 and 2012 and Condensed Consolidated Cash Flows for the nine months ended 31 December 2013 and 2012.

The Company has recorded on its balance sheet certain assets and liabilities, including asbestos-related assets and liabilities under the terms of the Amended and Restated Final Funding Agreement (“AFFA”), that are denominated in Australian dollars and subject to translation into US dollars at each reporting date. Unless otherwise noted, the exchange rates used to convert Australian dollar denominated amounts into US dollars in the condensed consolidated financial statements are as follows:

	31 March	31 December	
(US$1 = A$)	2013	**2013**	2012
Assets and liabilities	0.9597	**1.1190**	0.9631
Statements of operations	n/a	**1.0580**	0.9717
Cash flows - beginning cash	n/a	**0.9597**	0.9614
Cash flows - ending cash	n/a	**1.1190**	0.9631
Cash flows - current period movements	n/a	**1.0580**	0.9717

The results of operations for the three months and nine months ended 31 December 2013 are not necessarily indicative of the results to be expected for the full year. The balance sheet at 31 March 2013 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (“US GAAP”) for complete financial statements in this interim financial report.

2. Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Updated ("ASU") No. 2013-02, which requires the presentation of significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income, either on the face of the statement where net income is presented or in the notes, but only if the amount reclassified is required under US GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under US GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under US GAAP that provide additional detail about those amounts. The amendments in ASU No. 2013-02 are effective for fiscal years and interim periods within those years, beginning after 15 December 2012. The adoption of this ASU did not result in a material impact on the Company's consolidated financial position, results of operations or cash flows.

In July 2013, the FASB issued ASU No. 2013-11, which provides explicit guidance on the financial statement presentation of an unrecognised tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The amendments in ASU No. 2013-11 are effective for fiscal years and interim periods within those years, beginning after 15 December 2013. The Company has evaluated the impact of this ASU and does not expect its adoption to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

3. Earnings Per Share

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

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

	Three Months Ended 31 December		Nine Months Ended 31 December	
(Millions of shares)	**2013**	2012	**2013**	2012
Basic common shares outstanding	**442.9**	440.0	**442.3**	438.6
Dilutive effect of stock awards	**2.3**	0.3	**1.9**	0.4
Diluted common shares outstanding	**445.2**	440.3	**444.2**	439.0
(US dollars)	**2013**	2012	**2013**	2012
Net income per share - basic	**$ 0.21**	$ 0.07	**$ 0.65**	$ 0.26
Net income per share - diluted	**$ 0.21**	$ 0.07	**$ 0.64**	$ 0.26

Potential common shares of 2.5 million and 2.9 million for the three months ended 31 December 2013 and 2012, respectively, and 2.3 million and 6.3 million for the nine months ended 31 December 2013 and

2012, respectively, have been excluded from the calculation of diluted common shares outstanding because the effect of their inclusion would be anti-dilutive.

Unless they are anti-dilutive, RSUs which vest solely based on continued employment are considered to be outstanding as of their issuance date for purposes of computing diluted EPS and are included in the calculation of diluted EPS using the Treasury Method. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

RSUs which vest based on performance or market conditions are considered contingent shares. At each reporting date prior to the end of the contingency period, the Company determines the number of contingently issuable shares to include in the diluted EPS, as the number of shares that would be issuable under the terms of the RSU arrangement, if the end of the reporting period were the end of the contingency period. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

4. Restricted Cash and Cash Equivalents

Included in restricted cash and cash equivalents is US$5.0 million related to an insurance policy at 31 December 2013 and 31 March 2013, which restricts the cash from use for general corporate purposes.

5. Inventories

Inventories consist of the following components:

(Millions of US dollars)	**31 December 2013**	31 March 2013
Finished goods	**$ 127.6**	$ 115.8
Work-in-process	**5.7**	7.6
Raw materials and supplies	**58.7**	55.1
Provision for obsolete finished goods and raw materials	**(7.5)**	(6.4)
Total inventories	**$ 184.5**	$ 172.1

At 31 December 2013 and 31 March 2013, US$18.0 million and US$19.2 million, respectively, of our finished goods inventory was held at third-party consignment locations.

6. Long-Term Debt

At 31 December 2013, the Company's credit facilities consisted of:

Description	Effective Interest Rate	Total Facility	Principal Drawn
(US$ millions)			
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2014	-	$ 50.0	$ -
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until March 2016	-	50.0	-
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until April 2016	-	190.0	-
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until March 2017	-	40.0	-
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until April 2017	-	75.0	-
Total		**$ 405.0**	**$ -**

At 31 December 2013, no amounts were drawn under the combined facilities. The weighted average interest rate on the Company's total outstanding debt was nil at 31 December 2013 and 31 March 2013, and the weighted average term of all debt facilities is 2.3 years at 31 December 2013. The weighted average fixed interest rate on the Company's interest rate swap contracts is set forth in Note 8.

On 14 February 2014, US$50.0 million of the Company's unutilised credit facilities expired. The Company has not replaced these credit facilities and the unutilised credit facilities were reduced to US$355.0 million.

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

At 31 December 2013, the Company was in compliance with all restrictive debt covenants contained in its credit facility agreements. Under the most restrictive of these covenants, the Company (i) must not exceed a maximum of net debt to earnings before interest, tax, depreciation and amortisation, excluding all income, expense and other profit and loss statement impacts of Asbestos injuries Compensation Fund ("AICF"), Amaba, Amaca, ABN 60 and Marlew Mining Pty Limited ("Former James Hardie Companies") and excluding assets, liabilities and other balance sheet items of AICF, Amaba, Amaca, ABN 60 and Marlew Mining Pty Limited, (ii) must meet or exceed a minimum ratio of earnings before interest and taxes to net interest charges, excluding all income, expense and other profit and loss statement impacts of AICF, Amaba, Amaca, ABN 60 and Marlew Mining Pty Limited, and (iii) must ensure that no more than 35% of Free Cash Flow (as defined in the AFFA), in any given fiscal year ("Annual Cash Flow Cap") is contributed to AICF on the payment dates under the AFFA in the next following fiscal year. The Annual Cash Flow Cap does not apply to payments of interest, if any, to AICF and is consistent with contractual obligations of the Performing Subsidiary and the Company under the AFFA.

7. Asbestos

In February 2007, the Company's shareholders approved a proposal pursuant to which the Company provides long-term funding to AICF. The Company owns 100% of James Hardie 117 Pty Ltd (the "Performing Subsidiary") that funds AICF subject to the provisions of the AFFA. The Company appoints three of the AICF directors and the NSW Government appoints two of the AICF directors.

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

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

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

For the nine months ended 31 December 2013, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide. Future funding of AICF by the Company continues to be linked under the terms of the AFFA to the Company's long-term financial success, specifically the Company's ability to generate net operating cash flow.

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

Asbestos Adjustments

The following table sets forth the asbestos adjustments included in the Condensed Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended 31 December 2013 and 2012:

	Three Months Ended 31 December		Nine Months Ended 31 December	
(Millions of US dollars)	**2013**	2012	**2013**	2012
Effect of foreign exchange rate movements	$ 30.8	$ 6.1	$ 120.5	$ 2.6
Recovery of insurance receivables	5.0	5.6	5.7	11.9
Asbestos Adjustments	**$ 35.8**	$ 11.7	**$ 126.2**	$ 14.5

The recovery of insurance receivable represents proceeds which were previously deemed uncollectible but are now estimated to be recoverable from a third party insurer currently in liquidation. Adjustments in insurance receivable due to changes in AICF's assessment of recoverability are reflected as asbestos adjustments on the Condensed Consolidated Statements of Operations and Comprehensive Income during the period in which the adjustments occur.

Asbestos-Related Assets and Liabilities

The Company has included on its consolidated balance sheets certain asbestos-related assets and liabilities under the terms of the AFFA. These amounts are detailed in the table below, and the net total of these asbestos-related assets and liabilities is referred to by the Company as the "Net AFFA Liability."

(Millions of US dollars)	**31 December 2013**	31 March 2013
Asbestos liability – current	**$ (115.8)**	$ (135.0)
Asbestos liability – non-current	**(1,241.8)**	(1,558.7)
Asbestos liability - Total	**(1,357.6)**	(1,693.7)
Insurance receivable – current	**16.2**	22.2
Insurance receivable – non-current	**171.0**	209.4
Insurance receivable – Total	**187.2**	231.6
Workers' compensation asset – current	**0.8**	0.9
Workers' compensation asset – non-current	**52.0**	60.7
Workers' compensation liability – current	**(0.8)**	(0.9)
Workers' compensation liability – non-current	**(52.0)**	(60.7)
Workers' compensation – Total	**-**	-
Current portion of long-term debt - Asbestos	**(22.7)**	-
Other net liabilities	**(3.6)**	(1.6)
Restricted cash and cash equivalents and restricted short-term investment assets of the AICF	**62.0**	133.5
Net AFFA liability	**$ (1,134.7)**	$ (1,330.2)
Deferred income tax assets – current	**16.0**	18.6
Deferred income tax assets – non-current	**358.4**	434.1
Deferred income taxes – Total	**374.4**	452.7
Income tax payable	**12.2**	25.9
Net Unfunded AFFA liability, net of tax	**$ (748.1)**	$ (851.6)

Asbestos Liability

The amount of the asbestos liability reflects the terms of the AFFA, which has been calculated by reference to (but is not exclusively based upon) the most recent actuarial estimate of the projected future asbestos-related cash flows prepared by KPMG Actuarial. The asbestos liability also includes an allowance for the future claims-handling costs of AICF. The Company receives an updated actuarial estimate as of 31 March each year. The most recent actuarial assessment was performed as of 31 March 2013.

The changes in the asbestos liability for the nine months ended 31 December 2013 are detailed in the table below:

(Millions of US dollars)	A$ Millions	A$ to US$ rate	US$ Millions
Asbestos liability – 31 March 2013	A$ (1,625.4)	0.9597	$ (1,693.7)
Asbestos claims paid[1]	104.6	1.0580	98.9
AICF claims-handling costs incurred[1]	1.7	1.0580	1.6
Favourable impact of foreign currency movements			235.6
Asbestos liability – 31 December 2013	**A$ (1,519.1)**	1.1190	**$ (1,357.6)**

Insurance Receivable – Asbestos

The changes in the insurance receivable for the nine months ended 31 December 2013 are detailed in the table below:

(Millions of US dollars)	A$ Millions	A$ to US$ rate	US$ Millions
Insurance receivable – 31 March 2013	A$ 222.3	0.9597	231.6
Insurance and cross-claim recoveries[1]	(18.8)	1.0580	(17.8)
Write-back of insurance receivable[1]	6.0	1.0580	5.7
Unfavourable impact of foreign currency movements			(32.3)
Insurance receivable – 31 December 2013	**A$ 209.5**	1.1190	**$ 187.2**

Included in insurance receivable is US$2.6 million recorded on a discounted basis because the timing of the recoveries has been agreed with the insurer.

Deferred Income Taxes – Asbestos

The changes in the deferred income taxes - asbestos for the nine months ended 31 December 2013 are detailed in the table below:

(Millions of US dollars)	A$ Millions	A$ to US$ rate	US$ Millions
Deferred tax assets – 31 March 2013	A$ 434.4	0.9597	$ 452.7
Amounts offset against income tax payable[1]	(13.5)	1.0580	(12.8)
AICF earnings[1]	(2.1)	1.0580	(2.0)
Unfavourable impact of foreign currency movements			(63.5)
Deferred tax assets – 31 December 2013	**A$ 418.8**	1.1190	**$ 374.4**

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

Income Taxes Payable

A portion of the deferred income tax asset is applied against the Company's income tax payable. At 31 December 2013 and 31 March 2013, this amount was US$12.8 million and US$25.6 million, respectively. During the nine months ended 31 December 2013, there was a US$4.4 million unfavourable effect of foreign currency exchange.

Other Net Liabilities

Other net liabilities include a provision for asbestos-related education and medical research contributions of US$1.6 million and US$1.9 million at 31 December 2013 and 31 March 2013, respectively.

Also included in other net liabilities are the other assets and liabilities of AICF including trade receivables, prepayments, fixed assets, trade payables and accruals. These other assets and liabilities of AICF were a net liability of US$1.9 million at 31 December 2013 and a net asset of US$0.3 million at 31 March 2013. During the nine months ended 31 December 2013, there was a US$0.1 million favourable effect of foreign currency exchange on these other assets and liabilities.

Restricted Cash and Short-term Investments of AICF

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

In June 2012, AICF invested US$106.5 million (A$105.0 million) of its excess cash in time deposits at a fixed interest rate of 5.1% and a six month maturity. In December 2012, these time deposits matured and were reclassified as *Restricted cash and cash equivalents – Asbestos* on the Condensed Consolidated Balance Sheet.

At 31 December 2013, the Company revalued AICF's short-term investments available-for-sale resulting in a mark-to-market fair value adjustment of nil.

The changes in restricted cash and short-term investments of AICF for the nine months ended 31 December 2013 are set forth in the table below:

(Millions of US dollars)	A$ Millions	A$ to US$ rate	US$ Millions
Restricted cash and cash equivalents and restricted short-term investments – 31 March 2013	A$ 128.1	0.9597	$ 133.5
Asbestos claims paid[1]	(104.6)	1.0580	(98.9)
AICF operating costs paid - claims-handling[1]	(1.7)	1.0580	(1.6)
AICF operating costs paid - non claims-handling[1]	(1.5)	1.0580	(1.4)
Insurance and cross-claim recoveries[1]	18.8	1.0580	17.8
Interest and investment income[1]	2.5	1.0580	2.4
Proceeds from loan facility[2]	25.3	1.1186	22.6
Interest received[2]	0.9	1.0074	0.9
Other[1]	1.6	1.0580	1.5
Unfavourable impact of foreign currency movements			(14.8)
Restricted cash and cash equivalents and restricted short-term investments – 31 December 2013	**A$ 69.4**	1.1190	**$ 62.0**

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

[2] The spot exchange rate on the date of the transaction occurred is used to convert the Australian dollar amounts to US dollars.

Claims Data

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

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

	Nine Months Ended 31 December 2013	For the Years Ended 31 March				
		2013	2012	2011	2010	2009
Number of open claims at beginning of period	**462**	592	564	529	534	523
Number of new claims	**476**	542	456	494	535	607
Number of closed claims[1]	**411**	672	428	459	540	596
Number of open claims at end of period	**527**	462	592	564	529	534
Average settlement amount per settled claim	**A$ 257,966**	A$ 231,313	A$ 218,610	A$ 204,366	A$ 190,627	A$ 190,638
Average settlement amount per case closed	**A$ 241,019**	A$ 200,561	A$ 198,179	A$ 173,199	A$ 171,917	A$ 168,248
Average settlement amount per settled claim	**US$ 243,824**	US$ 238,615	US$ 228,361	US$ 193,090	US$ 162,250	US$ 151,300
Average settlement amount per case closed	**US$ 227,806**	US$ 206,892	US$ 207,019	US$ 163,642	US$ 146,325	US$ 133,530

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

The asbestos liability at 31 December 2013 reflects the most recent actuarial estimate prepared by KPMG Actuarial as of 31 March 2013 and is adjusted for payments made to claimants during the year then ended. In KPMG Actuarial's study of potential asbestos-related liabilities as of 31 March 2013, a sensitivity analysis was performed to determine how the actuarial estimates would change if certain assumptions (i.e., the rate of inflation and superimposed inflation, the average costs of claims and legal fees, and the projected numbers of claims) were different from the assumptions used to determine the central estimates. This analysis indicated that the discounted (but inflated) central estimates of the liability in the aggregate for all periods through FY2075 could be in a range of A$1.1 billion (US$1.1 billion) to A$2.6 billion (US$2.7 billion). The undiscounted (but inflated) estimates of the liability in the aggregate for all periods through FY2075 could be in a range of A$1.6 billion (US$1.7 billion) to A$4.2 billion (US$4.4 billion) as of 31 March 2013.

During the nine months ended 31 December 2013, mesothelioma claims reporting activity has been above actuarial expectations. One of the critical assumptions is the estimated peak year of mesothelioma disease claims, which was assumed to have occurred in 2010/2011. Potential variation in this estimate has an impact much greater than the other assumptions used to derive the discounted central estimate. For example, if the peak year occurs five years later, in 2015/2016, the discounted central estimate could increase by approximately 45%.

The potential range of costs as estimated by KPMG Actuarial is affected by a number of variables such as nil settlement rates (where no settlement is payable by the Former James Hardie Companies because the claim settlement is borne by other asbestos defendants (other than the former James Hardie subsidiaries) which are held liable, peak year of claims, past history of claims numbers, average settlement rates, history of Australian asbestos-related medical injuries, current number of claims, average defense and plaintiff legal costs, base wage inflation and superimposed inflation. The potential range of losses disclosed includes both asserted and unasserted claims.

Due to inherent uncertainties in the legal and medical environment, the number and timing of future claim notifications and settlements, the recoverability of claims against insurance contracts, and estimates of future trends in average claim awards, the actual amount of liability could differ materially from that which is currently projected. There is significant uncertainty regarding the nature, extent and mix of claims reporting activity for the remainder of the 2014 fiscal year, together with their consequential impact on average claims sizes. In addition, there is significant uncertainty regarding the extent to which the current level of claims reporting activity will continue, slow, or revert to prior expected levels in the longer term. The Company is currently unable to reasonably determine the manner in which the current level of claims reporting activity will influence future activity over the long-term. Pending a further review of claims reporting activity, it is possible that the subsequent actuarial assessment at 31 March 2014 may result in a material increase in the Company's asbestos liability.

Under the terms of the AFFA, the Company has rights of access to actuarial information produced for AICF by the actuary appointed by AICF (the "Approved Actuary"). The Company's disclosures with respect to claims statistics are subject to it obtaining such information from the Approved Actuary. The AFFA does not provide the Company an express right to audit or otherwise require independent verification of such information or the methodologies to be adopted by the Approved Actuary. The Company relies on the accuracy and completeness of the information and analysis of the Approved Actuary when making disclosures with respect to the asbestos liability and claims statistics; however, the Company has implemented processes and procedures to adequately assess the accuracy and completeness of such information and methodologies at each reporting date.

AICF – NSW Government Secured Loan Facility

On 9 December 2010, AICF, Amaca, Amaba and ABN 60 (together, the "Obligors") entered into a secured standby loan facility and related agreements (the "Facility") with The State of New South Wales, Australia whereby AICF may borrow, subject to certain conditions, up to an aggregate amount of A$320.0 million (US$286.0 million, based on the exchange rate at 31 December, 2013). The amount available to be drawn depends on the value of the insurance policies benefiting the Obligors and may be adjusted upward or downward, subject to a ceiling of A$320.0 million. The most recent assessment of the discounted value of insurance policies was A$216.3 million at 31 March 2013 (US$193.3 million, based on the prevailing spot rate at 31 December 2013).

At 31 December 2013, AICF had A$25.3 million (US$22.6 million, based on the prevailing spot rate) outstanding on the Facility. The term of the Facility expires on 1 November 2030, at which time all amounts outstanding under the Facility become due and payable.

8. Fair Value Measurements

Assets and liabilities of the Company that are carried at fair value are classified in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date;

Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data for the asset or liability at the measurement date;

Level 3 Unobservable inputs that are not corroborated by market data used when there is minimal market activity for the asset or liability at the measurement date.

Fair value measurements of assets and liabilities are assigned a level within the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement in its entirety.

The Company's financial instruments consist primarily of cash and cash equivalents, restricted cash and cash equivalents, restricted short-term investments, trade receivables, trade payables, debt and interest rate swaps.

At 31 December 2013, the Company's financial instruments consist primarily of cash and cash equivalents, restricted cash and cash equivalents, restricted short-term investments, trade receivables, trade payables, debt, interest rate swaps and foreign currency forward contracts.

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

Restricted short-term investments – Restricted short-term investments are held and managed by AICF and are recorded in the financial statements at fair value. The fair value of restricted short-term investments is based on inputs that are observable in the market or can be derived principally from or corroborated by observable market data such as pricing for similar securities, recently executed transactions, cash flow models with yield curves and benchmark securities. Accordingly, restricted short-term investments are categorised as Level 2. Changes in fair value are recorded as other comprehensive income and included as a component in shareholders' equity.

Debt – Debt is generally recorded in the financial statements at historical cost. The carrying value of debt provided under the Company's credit facilities approximates fair value since the interest rates under these credit facilities are tied directly to market rates and fluctuate as market rates change. As of 31 December 2013, no debt was outstanding under the Company's existing credit facilities.

Derivatives and Hedging – The Company uses derivatives from time to time for risk management purposes and does not engage in speculative activity. A key risk management objective for the Company is to mitigate interest rate risk associated with the Company's external credit facilities and foreign currency risk primarily with respect to forecasted transactions denominated in foreign currencies, as further described below. The determination of whether the Company enters into a derivative transaction to achieve these risk management objectives depends on a number of factors, including market related factors that impact the extent to which derivative instruments will achieve such risk management objectives of the Company.

The notional amount of interest rate swap contracts and foreign currency forward contracts represents the basis upon which payments are calculated and are reported on a net basis when a legal and enforceable right of set-off exists. The following table sets forth the total outstanding notional amount and the fair value of the Company's derivative instruments held at 31 December 2013.

(Millions of US dollars)	Notional Amount		Fair Value as of 31 December 2013		Fair Value as of 31 March 2013	
	31 December 2013	31 March 2013	Assets	Liabilities	Assets	Liabilities
Derivatives accounted for as hedges						
Foreign currency forward contracts	$ 12.0	$ -	$ 0.9	$ -	$ -	$ -
Derivatives not accounted for as hedges						
Foreign currency forward contracts	2.9	-	0.1	-	-	-
Interest rate swap contracts	125.0	25.0	-	0.1	-	1.3
Total	**$ 139.9**	**$ 25.0**	**$ 1.0**	**$ 0.1**	**$ -**	**$ 1.3**

Interest Rate Swaps

The Company may from time to time enter into interest rate swap contracts to protect against upward movements in US$ LIBOR and the associated interest the Company pays on its external credit facilities. Interest rate swaps are recorded in the financial statements at fair value. Changes in fair value are recorded in the Condensed Consolidated Statements of Operations and Comprehensive Income in *Other income*. At 31 December 2013 and 31 March 2013, the Company had interest rate swap contracts with a total notional principal of US$125.0 million and US$25.0 million, respectively. For all of these interest rate swap contracts, the Company has agreed to pay fixed interest rates while receiving a floating interest rate.

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

At 31 December 2013, the weighted average fixed interest rate of these contracts is 2.1% and the weighted average remaining life is 4.25 years. These contracts have a fair value of US$0.1 million and US$1.3 million at 31 December 2013 and 31 March 2013, respectively, which is included in *Accounts payable*. For the three and nine months ended 31 December 2013, the Company included in *Other income* an unrealised gain of US$1.0 million and US$1.2 million, respectively, on interest rate swap contracts. Included in *Interest expense* is a realised loss on settlements of interest rate swap contracts of US$0.2 million and US$0.5 million for the three and nine months ended 31 December 2013, respectively.

For the three and nine months ended 31 December 2012, the Company included in *Other income* an unrealised gain of US$0.5 million and US$1.2 million, respectively, on interest rate swap contracts. Included in *Interest expense* is a realised loss on settlements of interest rate swap contracts of US$0.5 million and US$1.5 million for the three months and nine months ended 31 December 2012, respectively.

During the quarter ended 31 December 2013, the Company entered into three additional interest rate swap contracts with an aggregate notional principal of US$100.0 million. The first was entered into in October 2013 with a notional principal of US$50.0 million, term of 5 years, fixed interest rate of 2.0% and a forward start date of October 2014. The remaining two contracts were entered into in December 2013 with notional principal amounts of US$25.0 million and US$25.0 million, terms of 6 years and 4 years, fixed interest rates of 2.3% and 1.5%, respectively, and a forward start date of July 2014.

<u>Foreign Currency Forward Contracts</u>
The Company uses foreign currency forward contracts and enters into hedging relationships from time to time in order to mitigate exposure to foreign currency fluctuations. When achievable, these instruments are designated as hedges and treated as a cash flow hedging arrangement for accounting purposes. In September 2013, the Company entered into foreign currency forward contracts designated as hedges in order to mitigate exposure associated with the anticipated purchases of production assets denominated in a foreign currency in a future period.

For foreign currency forward contracts that are designated as a cash flow hedging arrangement, the effective portion of the change in fair value of the contract is reported as a component of shareholders' equity within *Accumulated other comprehensive income* on the Condensed Consolidated Balance Sheet and reclassified into earnings contemporaneously and in the same caption with the earnings effect of the hedged transaction. For cash flow hedges, the amount of ineffectiveness in the hedging relationship and amount of the changes in fair value of the foreign currency forward contracts that are not included in the measurement of ineffectiveness are both reflected in earnings each reporting period within *Other income*. For foreign currency forward contracts not designated as a hedge, changes in the fair value of foreign currency forward contracts are reflected in earnings within *Other income* at each measurement date.

The estimated fair value and unrealised gains associated with these contracts were US$1.0 million in the three and nine months ended 31 December 2013. In addition, the cumulative unrealised gains arising from changes in the fair value of foreign currency forward contacts designated as a cash flow hedging arrangement was US$1.0 million as of 31 December 2013. Further, there were no amounts reclassified from accumulated other comprehensive income into earnings for the three and nine months ended 31 December 2013. The maximum term of foreign currency forward contracts that hedged forecasted transactions was 1.3 years at 31 December 2013. There were no significant gains or losses reclassified into earnings as a result of a discontinuance of a cash flow hedge resulting from an unfavourable change in probability of a forecasted transaction occurring. Further, the amount of deferred gains or losses to be reclassified into earnings within the next 12 months is not expected to be material. The fair value of these contracts is included in *Other assets* at 31 December 2013.

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

The following table sets forth by level within the fair value hierarchy, the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis at 31 December 2013 according to the valuation techniques the Company used to determine their fair values.

(Millions of US dollars)	Fair Value at 31 December 2013	Fair Value Measurements Using Inputs Considered as Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	$ 185.2	$ 185.2	$ -	$ -
Restricted cash and cash equivalents	66.9	66.9	-	-
Restricted short-term investments	0.1	-	0.1	-
Forward contracts included in Other Assets	1.0	-	1.0	-
Total Assets	**$ 253.2**	**$ 252.1**	**$ 1.1**	**$ -**
Liabilities				
Interest rate swap contracts included in Accounts Payable	$ 0.1	$ -	$ 0.1	$ -
Forward contracts included in Other Liabilities	-	-	-	-
Total Liabilities	**$ 0.1**	**$ -**	**$ 0.1**	**$ -**

9. Commitments and Contingencies

The Company is involved from time to time in various legal proceedings and administrative actions related to the normal conduct of its business, including general liability claims, putative class action lawsuits and litigation concerning its products.

Although it is impossible to predict the outcome of any pending legal proceeding, management believes that such proceedings and actions should not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows, except as they relate to asbestos, New Zealand product liability claims and income taxes, as described in these financial statements.

New Zealand Product Liability

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

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

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

The Company has established a provision for asserted and unasserted New Zealand product liability claims within the current and non-current portions of *Other liabilities*, with a corresponding estimated receivable for third-party recoveries being recognised within *Accounts and other receivables.* At 31 December 2013 and 31 March 2013, the amount of the provision for New Zealand product liability claims, net of estimated third-party recoveries, was US$11.6 million and US$15.2 million, respectively.

The estimated loss for these matters, net of estimated third-party recoveries, incorporates assumptions that are subject to the foregoing uncertainties and are principally derived from, but not exclusively based on, historical claims experience together with facts and circumstances unique to each claim. If the nature and extent of claims in future periods differ from the historical claims experience, then the actual amount of loss may be materially higher or lower than estimated losses accrued at 31 December 2013. For example, despite having resolved a number of legacy product liability claims in New Zealand since 2002, the Company's New Zealand subsidiaries are becoming exposed to increased losses for a greater proportion of these claims due to the insolvency of co-defendants and the expiration of some of the Company's New Zealand subsidiaries rights to third-party recoveries. Accordingly, due to the inherent uncertainties associated with estimating the amount of loss incurred for these matters, as discussed above, and based on information presently available, the Company believes it is possible that the ultimate resolution of these matters collectively could result in an additional loss of up to approximately US$9.9 million in excess of the amount already accrued, net of estimated third-party recoveries, at 31 December 2013. Accordingly, losses incurred in connection with defending and resolving these matters in the future could have a material adverse effect on the Company's financial position, results of operations and cash flows.

New Zealand Ministry of Education Representative Action

On 16 April 2013, the New Zealand Ministry of Education and other related plaintiffs initiated a 'representative action' in the New Zealand High Court against four building material manufacturers, including two of the Company's New Zealand subsidiaries, in relation to several thousand New Zealand school buildings. The New Zealand Ministry of Education and other plaintiffs alleged that the cladding systems used on school buildings were defective and asserted claims of negligence, negligent misstatement, negligent failure to warn and breach of both the New Zealand Consumer Guarantees Act 1993 and Fair Trading Act 1986. On 23 December 2013, the Company finalised a commercial settlement with the New Zealand Ministry of Education in relation to these claims, the specific details of which the parties agreed to keep confidential. As part of the settlement, the New Zealand Ministry of Education agreed to discontinue the claims made against the Company's two New Zealand subsidiaries. The settlement did not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Environmental and Legal

The operations of the Company, like those of other companies engaged in similar businesses, are subject to a number of laws and regulations on air and water quality, waste handling and disposal. The Company's policy is to accrue for environmental costs when it is determined that it is probable that an obligation exists and the amount can be reasonably estimated.

10. Income Taxes

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

The Company or its subsidiaries files income tax returns in various jurisdictions including Ireland, the United States, Australia, New Zealand, the Philippines and The Netherlands. The Company is no longer subject to US federal examinations by US Internal Revenue Service ("IRS") for tax years prior to tax year 2009. The Company is no longer subject to Australian federal examinations by the Australian Taxation Office ("ATO") for tax years prior to tax year 2010. The Company is no longer subject to examinations by The Netherlands tax authority, for tax years prior to tax year 2008.

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

During the quarter ended 30 June 2013, the Company determined that US$34.5 million of the Australian deferred tax assets held at 31 March 2013 were unlikely to be realised and had effectively expired. At 31 March 2013, the Company had a 100% valuation allowance against these Australian deferred tax assets. As a result, both the deferred tax asset and the related valuation allowance were written off in the quarter ended 30 June 2013.

Unrecognised Tax Benefits

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

(Millions of US dollars)	Unrecognised tax benefits	Interest and Penalties
Balance at 31 March 2013	**$ 1.5**	$ 0.1
Additions for tax positions of the current year	0.1	-
Additions for tax positions of prior year	0.1	-
Settlements paid during the current period	(1.2)	-
Other reductions for the tax positions of prior periods	-	(0.1)
Balance at 31 December 2013	**$ 0.5**	**$ -**

As of 31 December 2013, the total amount of unrecognised tax benefits and the total amount of interest and penalties accrued or prepaid by the Company related to unrecognised tax benefits that, if recognised, would affect the effective tax rate is US$0.5 million and nil, respectively.

The Company recognises penalties and interest accrued related to unrecognised tax benefits in income tax expense. During the nine months ended 31 December 2013, income of US$0.1 million relating to interest and penalties was recognised within income tax expense arising from movements in unrecognised tax benefits. The liabilities associated with uncertain tax benefits are included in the non-current portion of *Other liabilities* on the Company's Condensed Consolidated Balance Sheet.

A number of years may elapse before an uncertain tax position is audited or ultimately resolved. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognised tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the completion of ongoing examinations, the expiration of the statute of limitations, or other circumstances. At this time, an estimate of the range of the reasonably possible change cannot be made.

Interest Payments from ATO

During the fourth quarter ended 31 March 2012, the ATO provided a refund of US$396.3 million to RCI Pty Ltd ("RCI"), a wholly owned subsidiary of the Company, resulting from RCI's successful appeal of a disputed amended tax assessment related to RCI's income tax return for its 1999 fiscal year. The facts and circumstances relating to RCI's successful appeal of the disputed amended tax assessment were fully disclosed in the notes to the Company's consolidated financial statements as of and for the year ended 31 March 2012.

In November 2013, the ATO notified RCI that RCI was entitled to a final additional amount of interest of A$17.3 million (US$15.4 million) in respect of amounts paid by RCI to the ATO while the appeal of the disputed amended tax assessment was in process. This final amount of interest was received from the ATO in January 2014. As the receipt of this interest from the ATO relates to RCI's successful appeal of its disputed amended tax assessment, the additional interest, net of tax, is included in *Income tax expense* in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income in the three and nine months ended 31 December 2013.

11. Stock-Based Compensation

Total stock-based compensation expense for the three months ended 31 December 2013 and 2012 was US$4.6 million and US$3.1 million, respectively. The Company recognised stock-based compensation expense of US$1.9 million and US$1.1 million for the three months ended 31 December 2013 and 2012, respectively, related to liability-classified awards. Compensation expense arising from equity-based awards, as estimated using pricing models, was US$2.7 million and US$2.0 million for the three months ended 31 December 2013 and 2012, respectively.

Total stock-based compensation expense for the nine months ended 31 December 2013 and 2012 was US$8.3 million and US$8.7 million, respectively. Included in stock-based compensation expense for the nine months ended 31 December 2013 and 2012 is an expense of US$2.5 million and US$3.5 million, respectively, related to liability-classified awards. Compensation expense arising from equity-based awards, as estimated using pricing models, was US$5.8 million and US$5.2 million for the nine months ended 31 December 2013 and 2012, respectively.

As of 31 December 2013, the unrecorded future stock-based compensation expense related to outstanding equity awards was US$13.8 million after estimated forfeitures and will be recognised over an estimated weighted average amortisation period of 2.5 years.

Restricted Stock – service vesting

On 9 December 2013, 259,621 restricted stock units (service vesting) were granted to employees under the 2001 Equity Incentive Plan. The fair value of each restricted stock unit (service vesting) is equal to the market value of the Company's common stock on the date of the grant, adjusted for the fair value of estimated dividends as the restricted stock holder is not entitled to dividends over the vesting period.

On 9 December 2013, 253,741 restricted stock units (service vesting) that were previously granted as part of the 2001 Equity Incentive Plan became fully vested and the underlying common stock was issued.

Restricted Stock – performance vesting

The Company granted 461,019 and 450,336 restricted stock units with a performance vesting condition under the 2006 Long Term Incentive Plan ("LTIP") to senior executives and managers of the Company on 16 September 2013 and 14 September 2012, respectively. The vesting of the restricted stock units is deferred for three years and is subject to a Return on Capital Employed ("ROCE") performance hurdle being met. The vesting of the restricted stock units is also subject to limited discretion by the Board. The Board's discretion will reflect the Board's judgment of the quality of the returns balanced against management's delivery of market share growth and a scorecard of key qualitative and quantitative performance objectives.

The Company granted 266,627 restricted stock units with a performance vesting condition under the LTIP to senior executives and managers of the Company on 7 June 2012. The vesting of the restricted stock units is deferred for two years and the amount of restricted stock units that will vest at that time is subject to the Board's exercise of negative discretion.

When the Board reviews the awards and determines whether any negative discretion should be applied at the vesting date, the award recipients may receive all, some, or none of their awards. The Board may only exercise negative discretion and may not enhance the maximum award that was originally granted to the award recipient.

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

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

On 7 June 2012, 592,442 restricted stock units (performance vesting) that were granted on 7 June 2010 as part of the FY2010 long-term incentive award became fully vested and the underlying common stock was issued.

Restricted Stock – market condition

Under the terms of the LTIP, the Company granted 489,888 and 432,654 restricted stock units (market condition) to senior executives and managers of the Company on 16 September 2013 and 14 September 2012, respectively. The vesting of these restricted stock units is subject to a market condition as outlined in the LTIP.

The fair value of each of these restricted stock units (market condition) granted under the LTIP is estimated using a binomial lattice model that incorporates a Monte Carlo simulation (the "Monte Carlo" method). The following table includes the assumptions used for restricted stock grants (market condition) valued during the nine months ended 31 December 2013 and 2012, respectively:

Date of grant	16 Sep 2013	14 Sep 2012
Dividend yield (per annum)	3.0%	1.5%
Expected volatility	43.3%	52.2%
Risk free interest rate	1.4%	0.7%
JHX stock price at grant date (A$)	10.17	8.95
Number of restricted stock units	489,888	432,654

Scorecard LTI – Cash Settled Units

Under the terms of the LTIP, the Company granted awards equivalent to 518,647 and 506,627 Scorecard LTI units on 16 September 2013 and 14 September 2012, respectively. These awards provide recipients a cash incentive based on JHI plc's common stock price on the vesting date and each executive's scorecard rating. The vesting of awards is measured on individual performance conditions based on certain performance measures. Compensation expense recognised for awards are based on the fair market value of JHI plc's common stock on the date of grant and recorded as a liability. The expense is recognised ratably over the vesting period and the liability is adjusted for subsequent changes in JHI plc's common stock price at each balance sheet date.

On 29 June 2013, 324,027 of the 821,459 Scorecard LTI units that were previously granted on 29 June 2010 as part of the FY2011 long-term incentive award became fully vested and the balance lapsed as a result of the Board's exercise of negative discretion. The cash amount paid to award recipients was based on JHI plc's common stock price on the vesting date.

On 21 June 2012, 501,556 of the 1,083,021 Scorecard LTI units that were previously granted on 21 June 2009 as part of the FY2010 long-term incentive award became fully vested and the balance lapsed as a result of the Board's exercise of negative discretion. The cash amount paid to award recipients was based on JHI plc's common stock price on the vesting date.

12. Capital Management and Dividends

On 28 February 2014, the Company announced a special dividend of US28.0 cents per security ("125 year anniversary special dividend"). The 125 year anniversary special dividend was announced in US currency and will be paid on 30 May 2014 with a record date of 21 March 2014.

On 14 November 2013, the Company announced an ordinary dividend of US8.0 cents per security ("FY2014 first half dividend"). The FY2014 first half dividend was announced in US currency and will be paid on 28 March 2014, with a record date of 19 December 2013.

On 26 July 2013 the Company paid an ordinary dividend of US13.0 cents per security ("FY2013 second half dividend") and a special dividend of US24.0 cents per security ("FY2013 special dividend") to shareholders. The total amount of the FY2013 second half dividend and the FY2013 special dividend together was US$163.6 million. Additionally, the company announced an ordinary dividend of US5.0 cents per security ("FY2013 first half dividend") on 15 November 2012.

On 23 July 2012, the Company paid a dividend to shareholders of US38.0 cents per security ("FY2012 second half dividend"). The total amount of the FY2012 second half dividend was US$166.4 million.

In May 2013, the Company announced a new share buyback program to acquire up to 5% of its issued capital. During the three months ended 31 December 2013, the Company repurchased and cancelled 305,153 shares of its common stock, with an aggregate cost of A$3.5 million (US$3.3 million), at an average market price of A$11.60 (US$10.52). For the nine months ended 31 December 2013, the Company repurchased and cancelled a total of 526,153 shares of its common stock, with an aggregate cost of $A5.5 million (US$5.1 million), at an average market price of A$10.51 (US$9.60).

Subsequent to 31 December 2013, the Company acquired an additional 613,061 shares of its common stock, with an aggregate cost of A$8.1 million (US$7.2 million), at an average market price of A$13.17 (US$11.73).

13. Operating Segment Information and Concentrations of Risk

The Company has reported its operating segment information in the format that the operating segment information is available to and evaluated by senior management. USA and Europe Fibre Cement manufactures fibre cement interior linings, exterior siding products and related accessories in the United States; these products are sold in the United States, Canada and Europe. Asia Pacific Fibre Cement includes all fibre cement manufactured in Australia, New Zealand and the Philippines and sold in Australia, New Zealand, Asia, the Middle East (Israel, Kuwait, Qatar and United Arab Emirates), and various Pacific Islands. Research and Development represents the cost incurred by the research and development centres.

Operating Segments

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

(Millions of US dollars)	Net Sales to Customers[1] Three Months Ended 31 December **2013**	2012	Net Sales to Customers[1] Nine Months Ended 31 December **2013**	2012
USA & Europe Fibre Cement	**$ 262.6**	$ 224.5	**$ 839.4**	$ 714.6
Asia Pacific Fibre Cement	**90.6**	95.9	**278.0**	279.9
Worldwide total	**$ 353.2**	$ 320.4	**$ 1,117.4**	$ 994.5

(Millions of US dollars)	Income Before Income Taxes Three Months Ended 31 December **2013**	2012	Income Before Income Taxes Nine Months Ended 31 December **2013**	2012
USA & Europe Fibre Cement[2, 8]	**$ 53.1**	$ 24.6	**$ 179.8**	$ 118.9
Asia Pacific Fibre Cement[2, 7]	**25.5**	11.7	**63.8**	45.0
Research and Development[2]	**(6.4)**	(6.8)	**(18.0)**	(19.1)
Segments total	**72.2**	29.5	**225.6**	144.8
General Corporate[3]	**22.6**	3.0	**93.9**	(7.0)
Total operating income	**94.8**	32.5	**319.5**	137.8
Net interest (expense) income[4]	**(0.4)**	2.1	**(0.7)**	2.3
Other income	**1.2**	0.5	**1.4**	1.2
Worldwide total	**$ 95.6**	$ 35.1	**$ 320.2**	$ 141.3

(Millions of US dollars)	Total Identifiable Assets **31 December 2013**	31 March 2013
USA & Europe Fibre Cement	**$ 733.5**	$ 730.6
Asia Pacific Fibre Cement	**219.9**	230.7
Research and Development	**19.6**	20.9
Segments total	**973.0**	982.2
General Corporate[5, 6]	**945.5**	1,131.0
Worldwide total	**$ 1,918.5**	$ 2,113.2

(Millions of US dollars)	Net Sales to Customers[1] Three Months Ended 31 December **2013**	2012	Net Sales to Customers[1] Nine Months Ended 31 December **2013**	2012
USA	$ **254.1**	$ 217.9	$ **814.3**	$ 693.3
Australia	**65.0**	71.0	**199.4**	207.9
New Zealand	**16.1**	14.9	**47.6**	41.9
Other Countries	**18.0**	16.6	**56.1**	51.4
Worldwide total	$ **353.2**	$ 320.4	$ **1,117.4**	$ 994.5

(Millions of US dollars)	Total Identifiable Assets **31 December 2013**	31 March 2013
USA	$ **736.7**	$ 739.8
Australia	**158.2**	156.3
New Zealand	**31.6**	39.8
Other Countries	**46.5**	46.3
Segments total	**973.0**	982.2
General Corporate[5, 6]	**945.5**	1,131.0
Worldwide total	$ **1,918.5**	$ 2,113.2

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

[2] Research and development costs of US$2.5 million and US$3.1 million for the three months ended 31 December 2013 and 2012, respectively, were expensed in the USA and Europe Fibre Cement segment. Research and development costs of US$0.4 million and US$0.5 million for the three months ended 31 December 2013 and 2012, respectively, were expensed in the Asia Pacific Fibre Cement segment. Research and development costs of US$5.8 million and US$6.3 million for the three months ended 31 December 2013 and 2012, respectively, were expensed in the Research and Development segment. The Research and Development segment also included selling, general and administrative expenses of US$0.5 million for the three months ended 31 December 2013 and 2012.

Research and development expenditures are expensed as incurred and in total amounted to US$8.7 million and US$9.9 million for the three months ended 31 December 2013 and 2012, respectively.

Research and development costs of US$7.8 million and US$8.9 million for the nine months ended 31 December 2013 and 2012, respectively, were expensed in the USA and Europe Fibre Cement segment. Research and development costs of US$1.0 million and US$1.3 million were expensed in the Asia Pacific Fibre Cement segment for the nine months ended 31 December 2013 and 2012. Research and development costs of US$16.3 million and US$17.6 million for the nine months ended 31 December 2013 and 2012, respectively, were expensed in the Research and Development segment. The Research and Development segment also included selling, general and administrative expenses of US$1.6 million and US$1.5 million for the nine months ended 31 December 2013 and 2012, respectively.

Research and development expenditures are expensed as incurred and in total amounted to US$25.1 million and US$27.8 million for the nine months ended 31 December 2013 and 2012, respectively.

[3] The principal components of General Corporate are officer and employee compensation and related benefits, professional and legal fees, administrative costs, and rental expense net of rental income on the Company's corporate offices. Included in General Corporate for the three months ended 31 December 2013 are favourable asbestos adjustments of US$35.8 million and AICF SG&A expenses of US$0.4 million. Included in General Corporate for the three months ended 31 December 2012 are favourable asbestos adjustments of US$11.7 million, AICF SG&A expenses of US$0.5 million and US$0.1 million related to the ASIC proceedings. Included in General Corporate for the nine months ended 31 December 2013 are favourable asbestos adjustments of US$126.2 million and AICF SG&A expenses of US$1.4 million. Included in General Corporate for the nine months ended 31 December 2012 are favourable asbestos adjustments of US$14.5 million, AICF SG&A expenses of US$1.2 million and ASIC expenses of US$0.5 million.

[4] Included in net interest expense is AICF interest income of US$0.6 million and US$3.4 million for the three months ended 31 December 2013 and 2012, respectively. Included in net interest expense for the nine months ended 31 December 2013 and 2012 is AICF interest income of US$2.4 million and US$5.6 million, respectively.

[5] The Company does not report deferred tax assets and liabilities for each operating segment as operating segments are not held directly accountable for deferred income taxes. All deferred income taxes are included in the General Corporate segment.

[6] Asbestos-related assets at 31 December 2013 and 31 March 2013 are US$678.1 million and US$882.8 million, respectively, and are included in the General Corporate segment.

[7] Included in the Asia Pacific Fibre Cement segment for the three months ended 31 December 2013 and 2012 are favourable and unfavourable adjustments to the provision for New Zealand product liability claims of US$4.2 million and US$7.5 million, respectively. Included in the Asia Pacific Fibre Cement segment for the nine months ended 31 December 2013 and 2012 are unfavourable adjustments to the provision for New Zealand product liability claims of US$0.7 million and US$13.2 million, respectively. See Note 9 for more information.

[8] Included in the USA and Europe Fibre Cement segment for the three and nine months ended 31 December 2012 are asset impairment charges of US$5.8 million.

14. Reclassifications Out of Accumulated Other Comprehensive Income

During the quarter ended 31 December 2013, there were no reclassifications out of *Accumulated other comprehensive income:*

(Millions of US dollars)	Pension and Post-Retirement Benefit Adjustment	Unrealised Gain (Loss) on Investments	Cash Flow Hedges	Foreign Currency Translation Adjustments	Total
Balance at 31 March 2013	$ (0.3)	$ 3.5	$ -	$ 44.2	$ 47.4
Other comprehensive loss before reclassifications	-	-	-	(17.6)	$ (17.6)
Cash flow hedges, net of tax	-	-	0.7	-	0.7
Net current-period other comprehensive loss	-	-	0.7	(17.6)	(16.9)
Balance at 31 December 2013	**$ (0.3)**	**$ 3.5**	**$ 0.7**	**$ 26.6**	**$ 30.5**

15. Acquisitions

In December 2013, the Company acquired the assets of a US business engaged in the research, development and manufacturing of fibreglass windows. The Company paid cash consideration of US$4.1 million and assumed debt of US$2.2 million, which has been classified in the current and non-current portion of *Other liabilities*. Accordingly, the Company has included a preliminary allocation of the estimated purchase consideration in its condensed consolidated financial statements as of and for the nine months ended 31 December 2013.