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President and Chief Executive Officer

Mark Schmitz

Executive Vice President and Chief Financial Officer

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Vice President, Investor Relations



First Quarter 2015 Earnings Conference Call

May 4, 2015

CONFERENCE CALL AGENDA

- CEO – Q1 Highlights
- CFO – Q1 Financial Results
- CEO – Closing Remarks
- Q&A

SAFE HARBOR

- » Certain matters being discussed today that are not statements of historical fact constitute forward-looking statements relating to current or future financial performance, management's plans and objectives for future operations, product plans and performance, management's assessment of market factors, and statements regarding the strategy and plans of the Company. Such forward looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of Itron's future performance. Listeners are cautioned that all forward-looking statements are subject to a number of risks and uncertainties that could cause the Company's actual results in the future to differ materially from these forward-looking statements. These risks and uncertainties are detailed in the Company's filings with the Securities and Exchange Commission, including its 10-K filed on February 20, 2015, copies of which may be accessed through the SEC's website at <http://www.sec.gov>.
- » Current data and other statistical information used throughout this presentation are based on independent industry publications, government publications, and reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. We believe that these sources are reliable.

Q1 2015 - REVENUE YEAR-OVER-YEAR BRIDGE

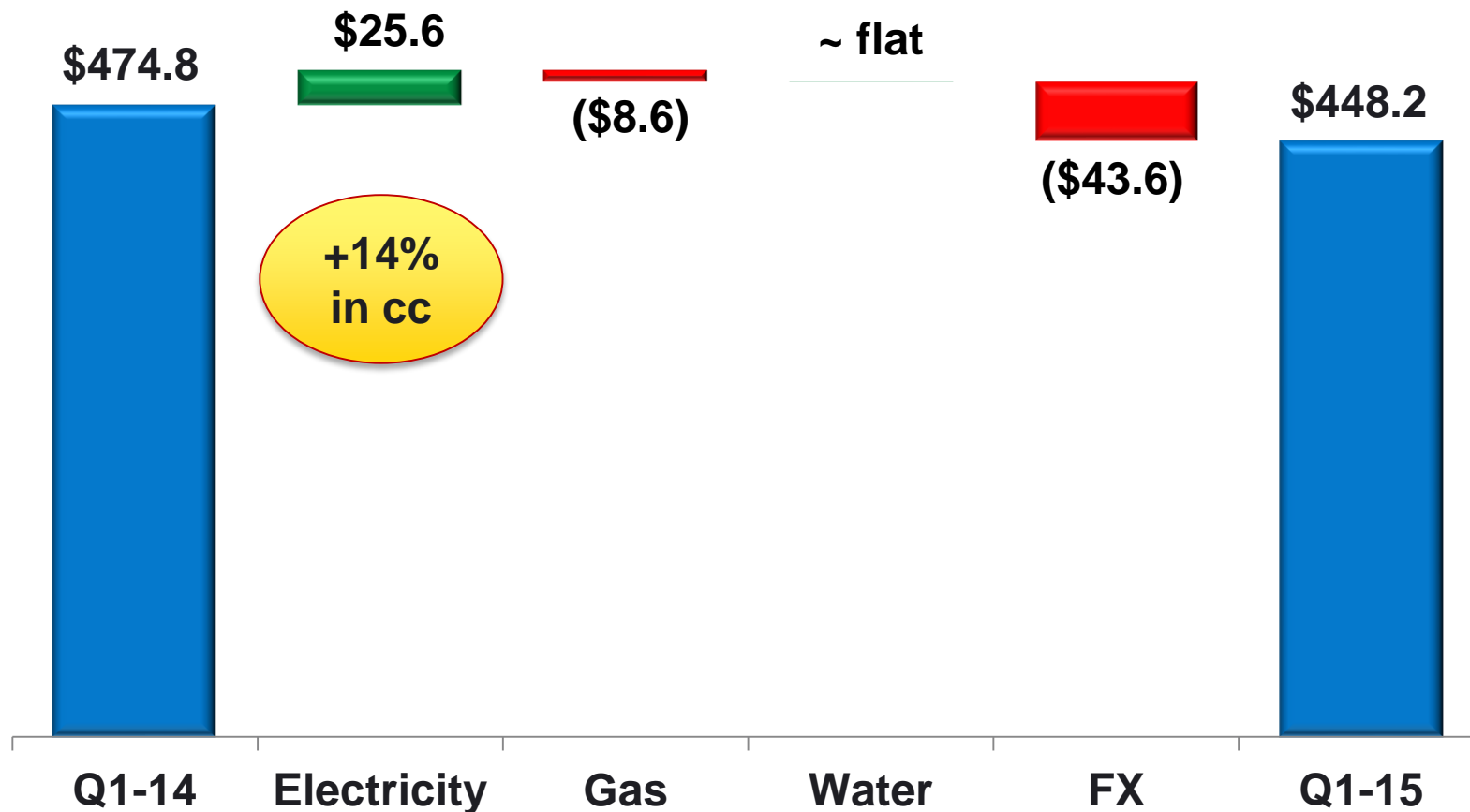
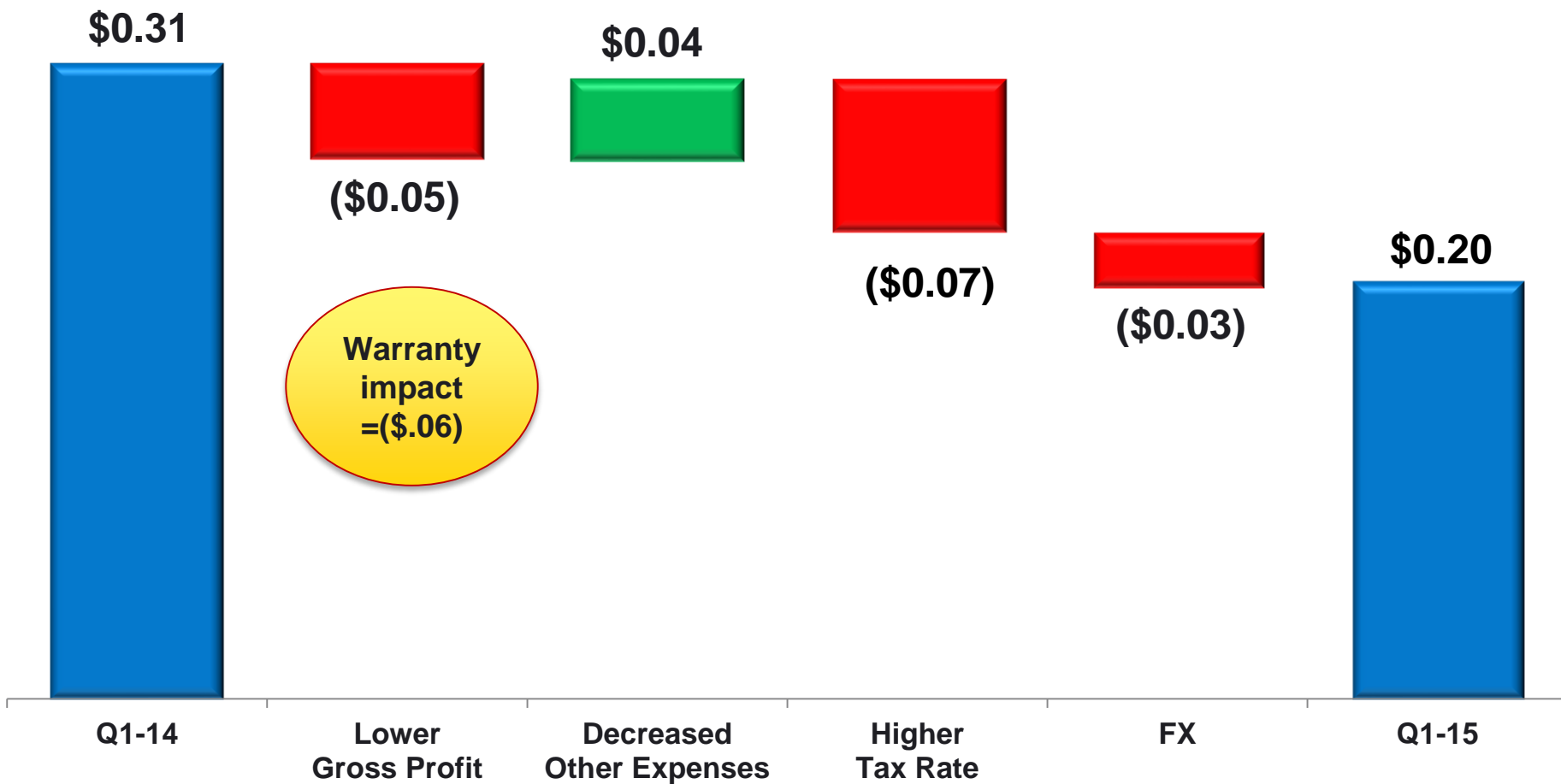


Chart in Millions, actual currency rates

Q1 2015 - NON-GAAP EPS YEAR-OVER-YEAR BRIDGE



Reconciliation of GAAP to Non-GAAP results available on our website

YEAR-OVER-YEAR SUMMARY– Q1 2015

	Q1 2015	Q1 2014	Change
Revenue (in millions)	\$448.2	\$474.8	-5.6%
<i>Revenue growth in constant currency</i>	<i>\$491.9</i>		<i>+3.6%</i>
Gross margin	30.8%	32.5%	-170 bps
Non-GAAP operating margin	4.1%	4.8%	-70 bps
Adjusted EBITDA	\$29.3	\$34.5	-15.0%
Adjusted EBITDA margin	6.5%	7.3%	-80 bps
GAAP diluted EPS	\$0.13	-\$0.01	\$0.14
Non-GAAP diluted EPS	\$0.20	\$0.31	-\$0.11
<i>Non-GAAP EPS in constant currency</i>	<i>\$0.23</i>		
Free cash flow (in millions)	-\$13.4	\$58.2	-\$71.6

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FREE CASH FLOW – Q1 2015

» Q1 2015 cash flow impacted by:

- Tax payments
- Legal settlement
- Variable compensation payments
- Restructuring related payments

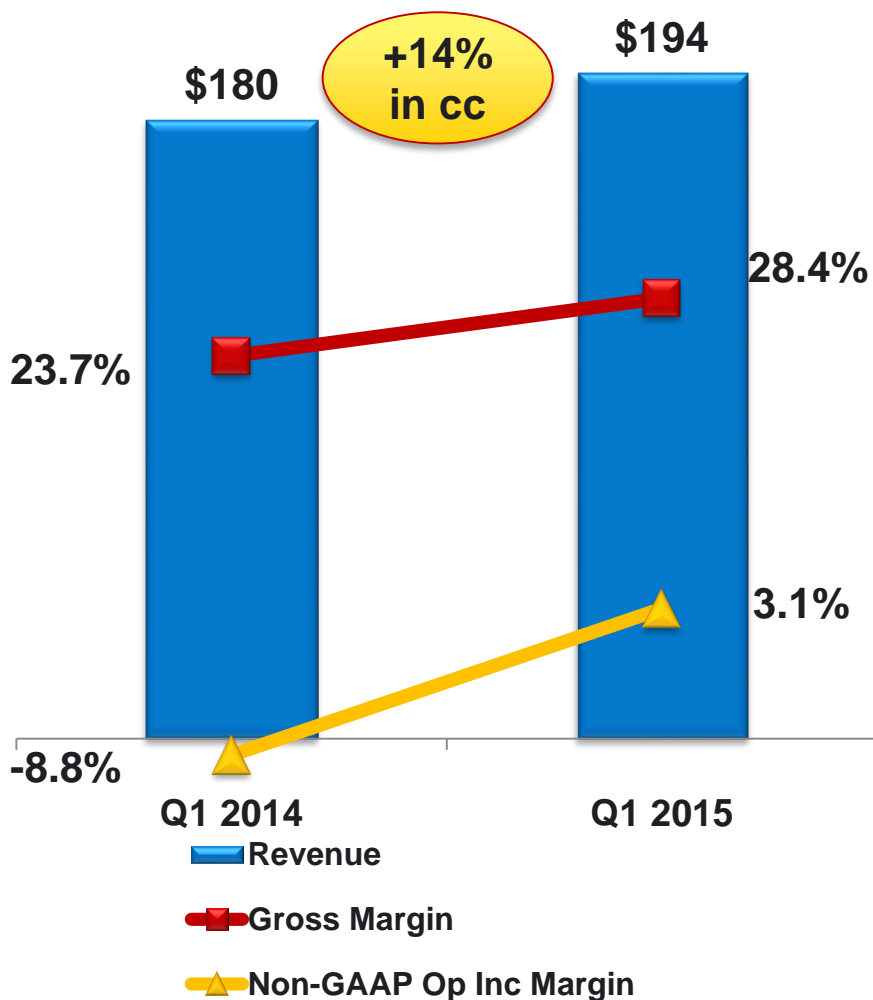
» **\$118m = cash balance at quarter-end**

» **Strong balance sheet & ample liquidity**

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ELECTRICITY SEGMENT

REVENUE AND NON-GAAP MARGINS



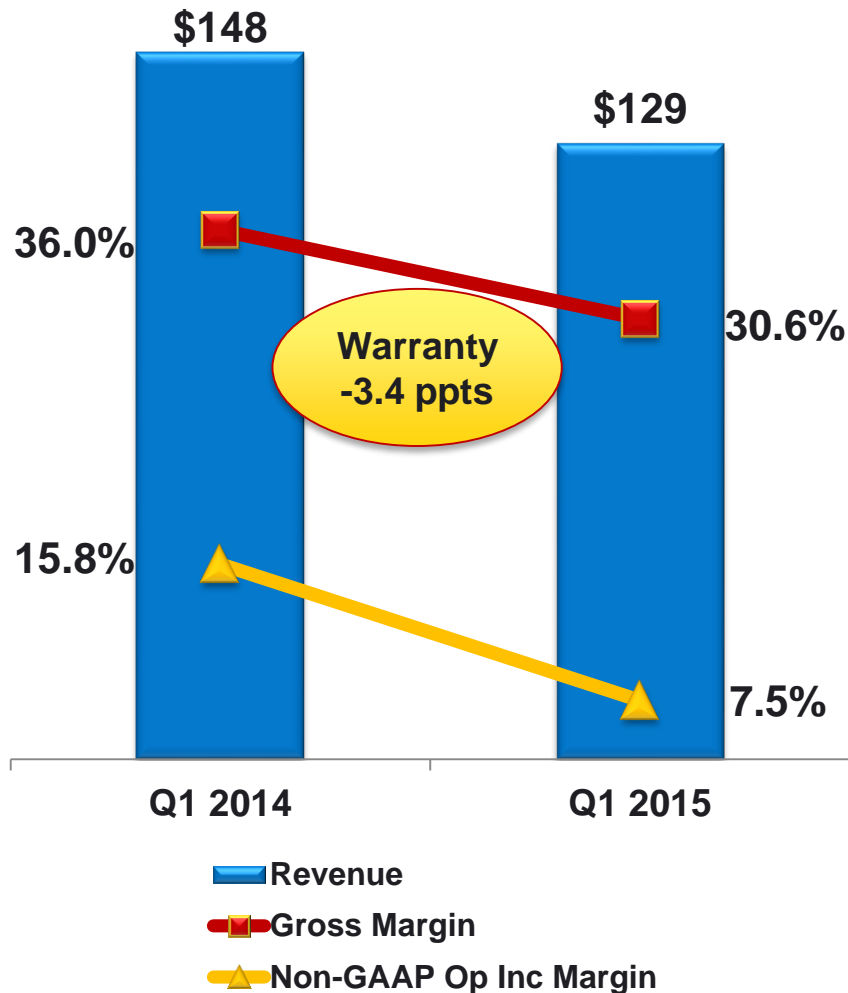
- » **Revenue up 8%, and 14% in constant currency**
 - Significant growth in North America smart meter projects
- » **Gross margin +470 basis points**
 - Improvement driven by product mix, lower warranty cost and operational efficiencies
- » **Non-GAAP operating margin +11.9 ppts**
 - Higher gross profit
 - Lower operating expenses from reduced headcount, decreased litigation and other reserves

Chart in Millions, actual currency rates

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WATER SEGMENT

REVENUE AND NON-GAAP MARGINS



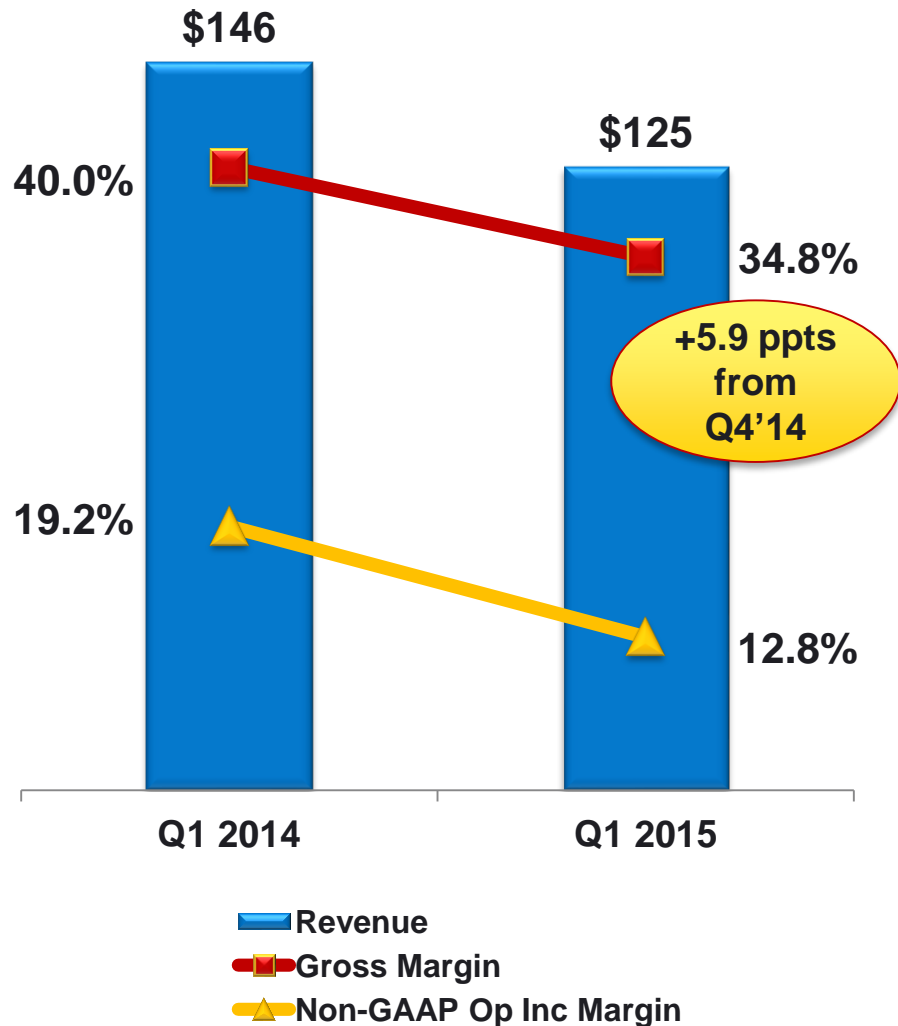
- » Revenue down 13% year-over-year due to negative FX impact of \$19m
- » Revenue flat year-over-year in constant currency
 - Growth in EMEA driven by increased water meters offset a decrease heat meters and lower volumes in Latin America
 - No significant impacts due to weather in North America
- » Gross margin down 540 basis points
 - Increase in warranty charges of \$4.4 million impacted gross margin ~340 basis points
 - Unfavorable product mix and impact of lower volumes in Latin America
- » Non-GAAP operating margin -830 basis points due to lower gross profit

Chart in Millions, actual currency rates

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GAS SEGMENT

REVENUE AND NON-GAAP MARGINS



» Revenues decreased 14%, and 6% in constant currency

- Higher sales of smart meters in Western Europe more than offset lower standard meter volumes
- Decrease in EMEA due to project timing
- Increased meter & regulator shipments offset lower modules in North America

» Gross margin -520 basis points

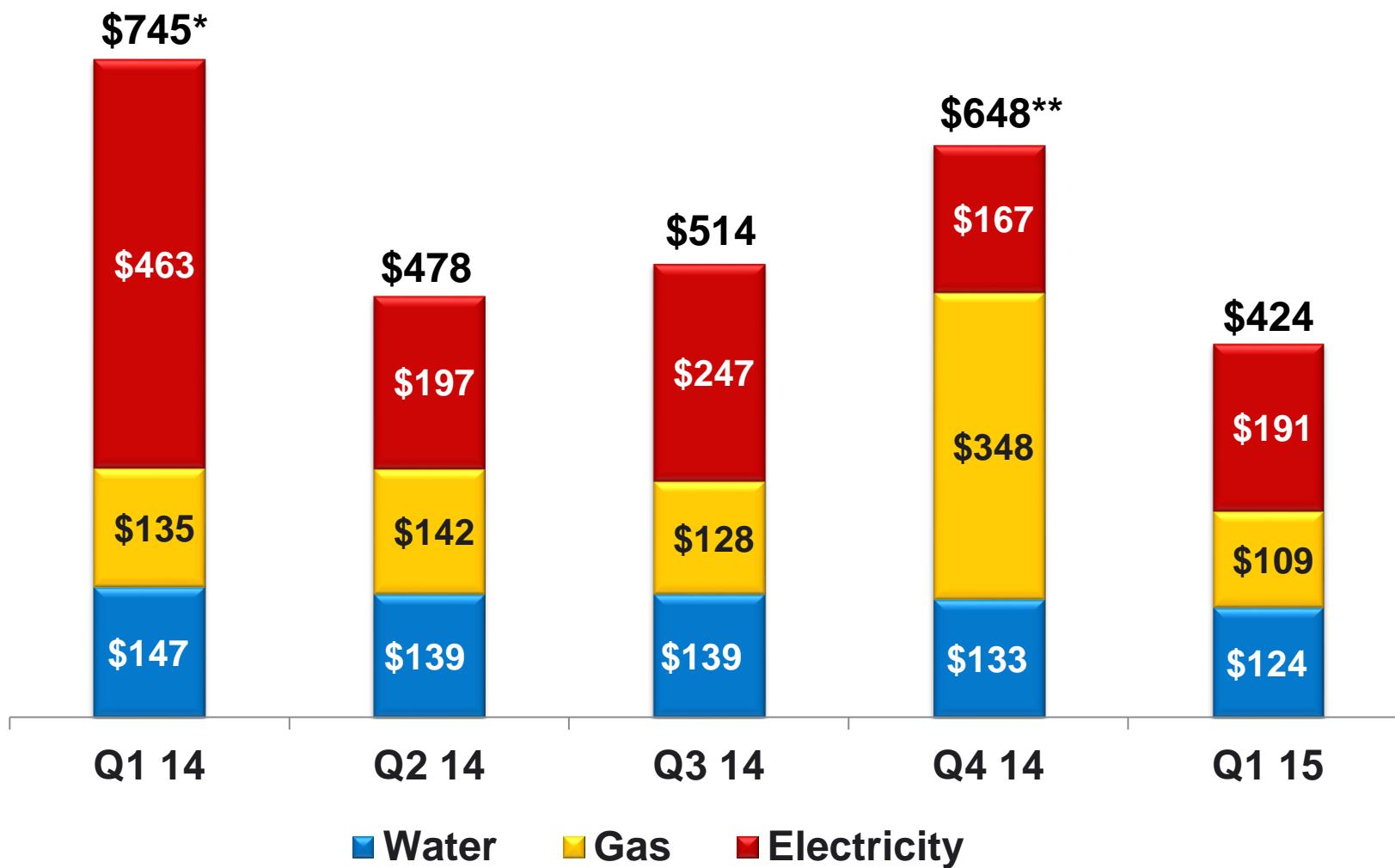
- Unfavorable impact from product mix
- Lower volumes and first generation smart meter in EMEA
- Manufacturing inefficiencies and slight increase in special warranty

» Non-GAAP operating margin -640 basis points due to lower gross profit

Chart in Millions, actual currency rates

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BOOKINGS BY SEGMENT



*Q1'14 Electricity bookings include \$279m for First Energy;

**Q4'14 Gas bookings include \$82m for GrDF & \$207m North America

Chart in Millions, actual currency rates

TRENDED TWELVE MONTH & TOTAL BACKLOG

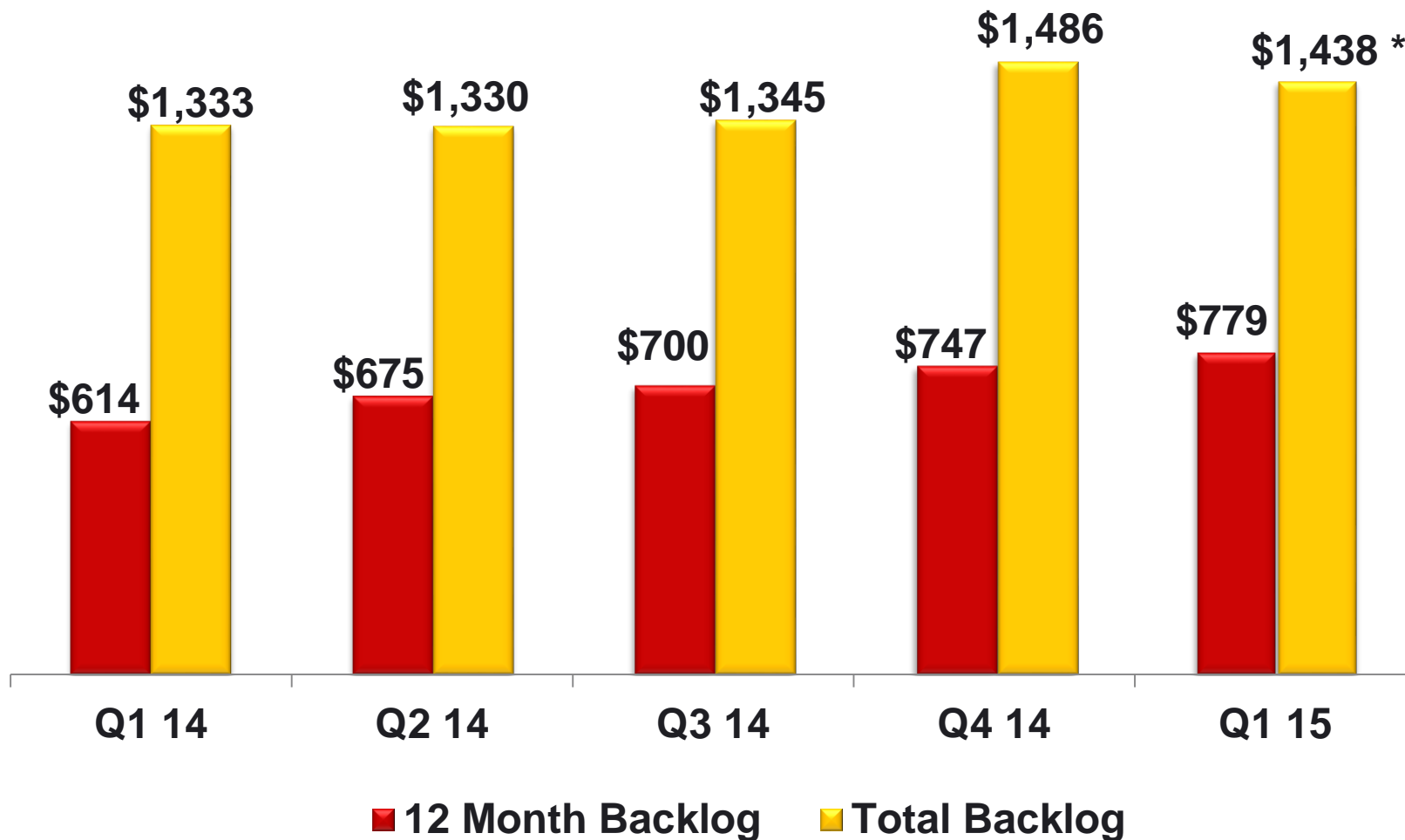


Chart in Millions, actual currency rates

* \$1,462 at 12/31/14 FX rates

FX IMPACT SUMMARY – Q1 2015

Average Euro/USD = \$1.13 Q1'15 vs \$1.37 Q1'14

Revenue	Q1 2015	YoY Change	YoY Change Excluding FX
Electricity	\$ 193.9	7.6%	14.2%
Water	129.3	-12.9%	0.0%
Gas	125.0	-14.4%	-5.8%
Total	\$ 448.2	-5.6%	3.6%
	Q1 2015	YoY Change	YoY Change Excluding FX
Non-GAAP EPS	\$0.20	-0.11	-0.08

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THANK YOU



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