



Philip Mezey

President and Chief Executive Officer

Steve Helmbrecht

Executive Vice President and Chief Financial Officer

John Holleran

Executive Vice President and Chief Operating Officer

Barbara Doyle

Vice President, Investor Relations

A wide-angle, nighttime photograph of a city skyline, likely Los Angeles, with numerous skyscrapers and city lights visible against a dark sky. The image serves as a background for the lower half of the slide.

First Quarter 2014 Earnings Conference Call

April 24, 2014

CONFERENCE CALL AGENDA

- CEO – Q1 Highlights
- CFO – Q1 2014 Financial Results
- CEO – Closing Remarks
- Q&A – CEO, CFO and COO

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 26, 2014, 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 2014 YEAR-OVER-YEAR REVENUE BRIDGE

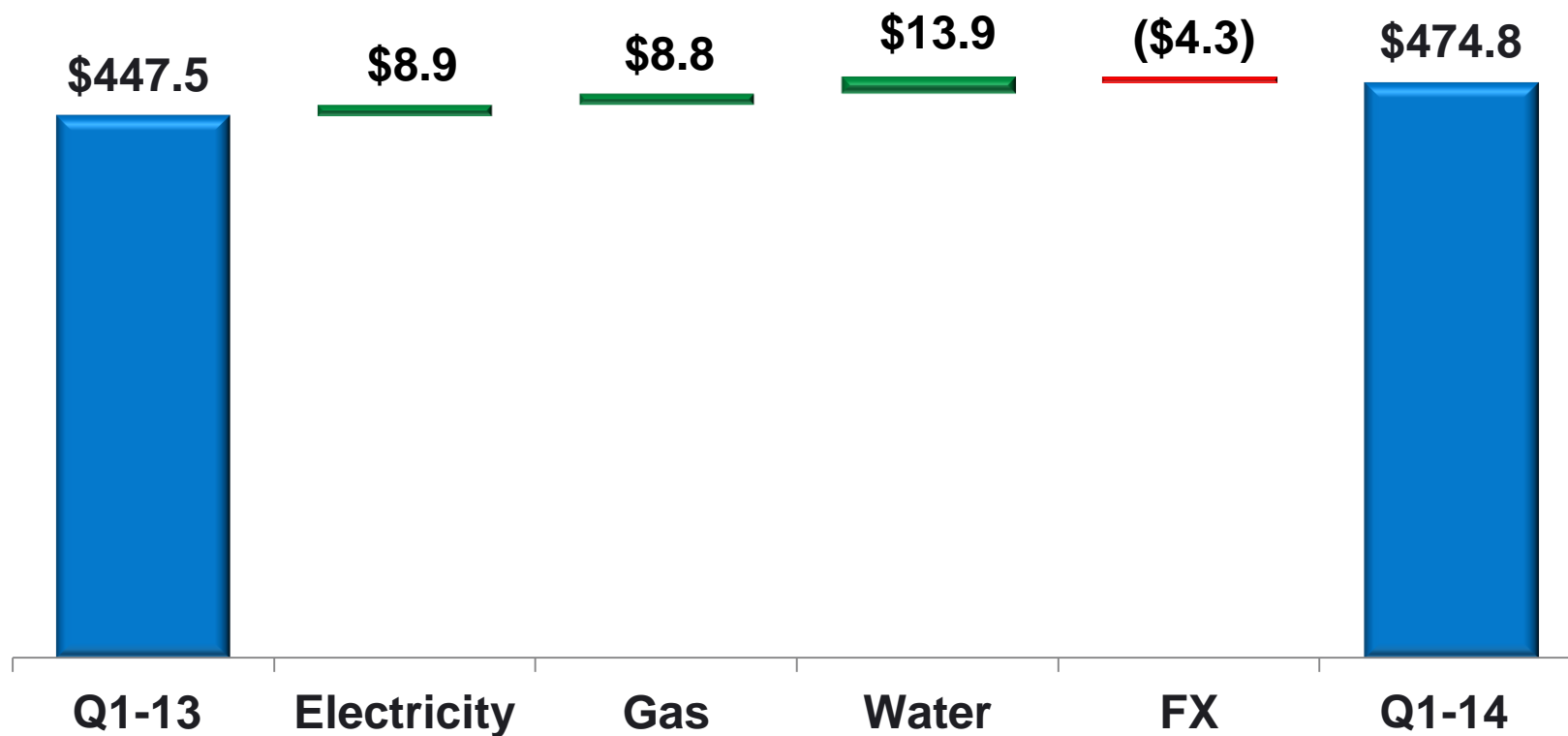


Chart in Millions, actual currency rates

TRENDED TWELVE MONTH & TOTAL BACKLOG

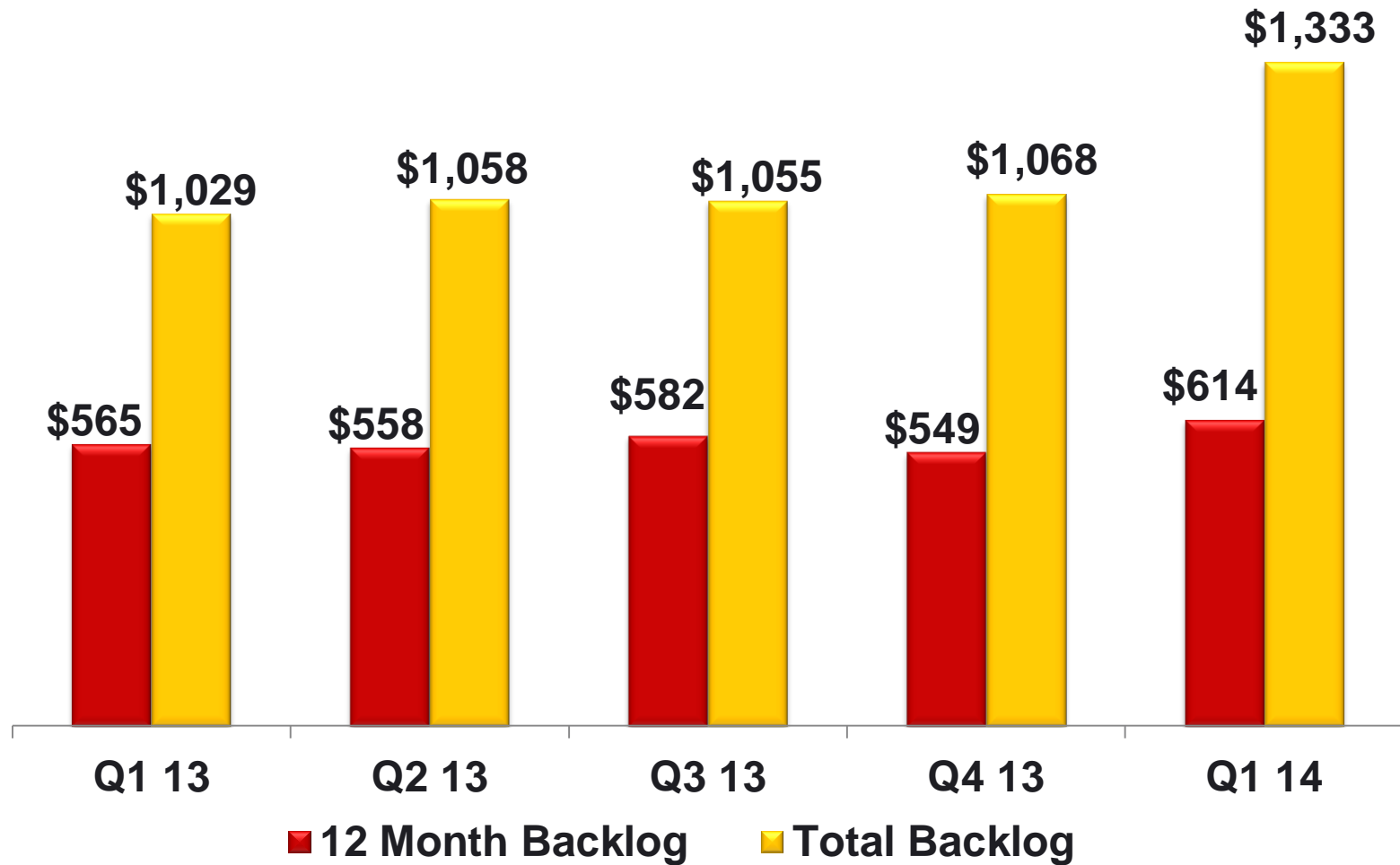


Chart in Millions, actual currency rates

BOOKINGS BY SEGMENT

*Q1'14 ELECTRICITY BOOKINGS INCLUDE
\$279M FOR FIRST ENERGY CONTRACT*

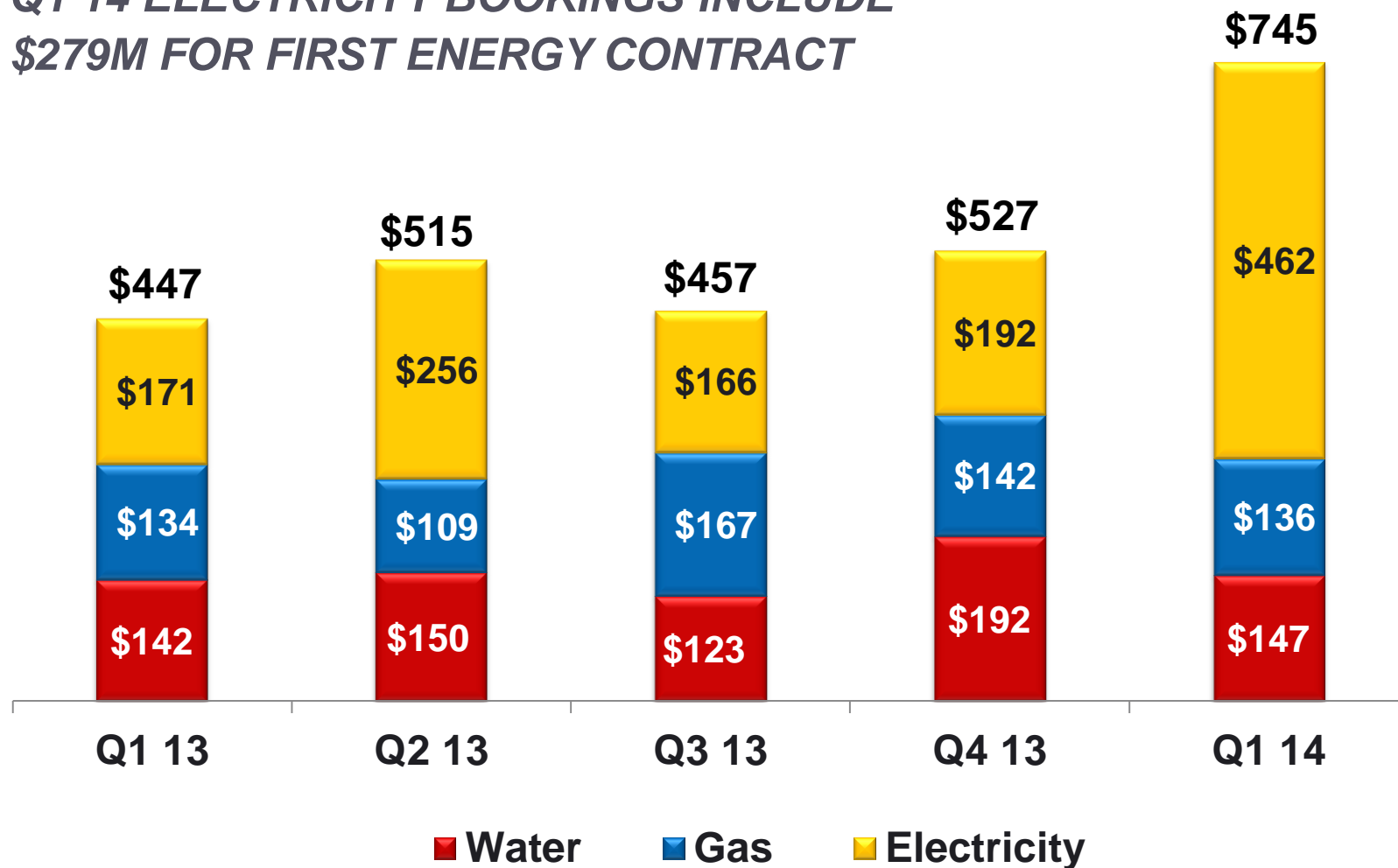


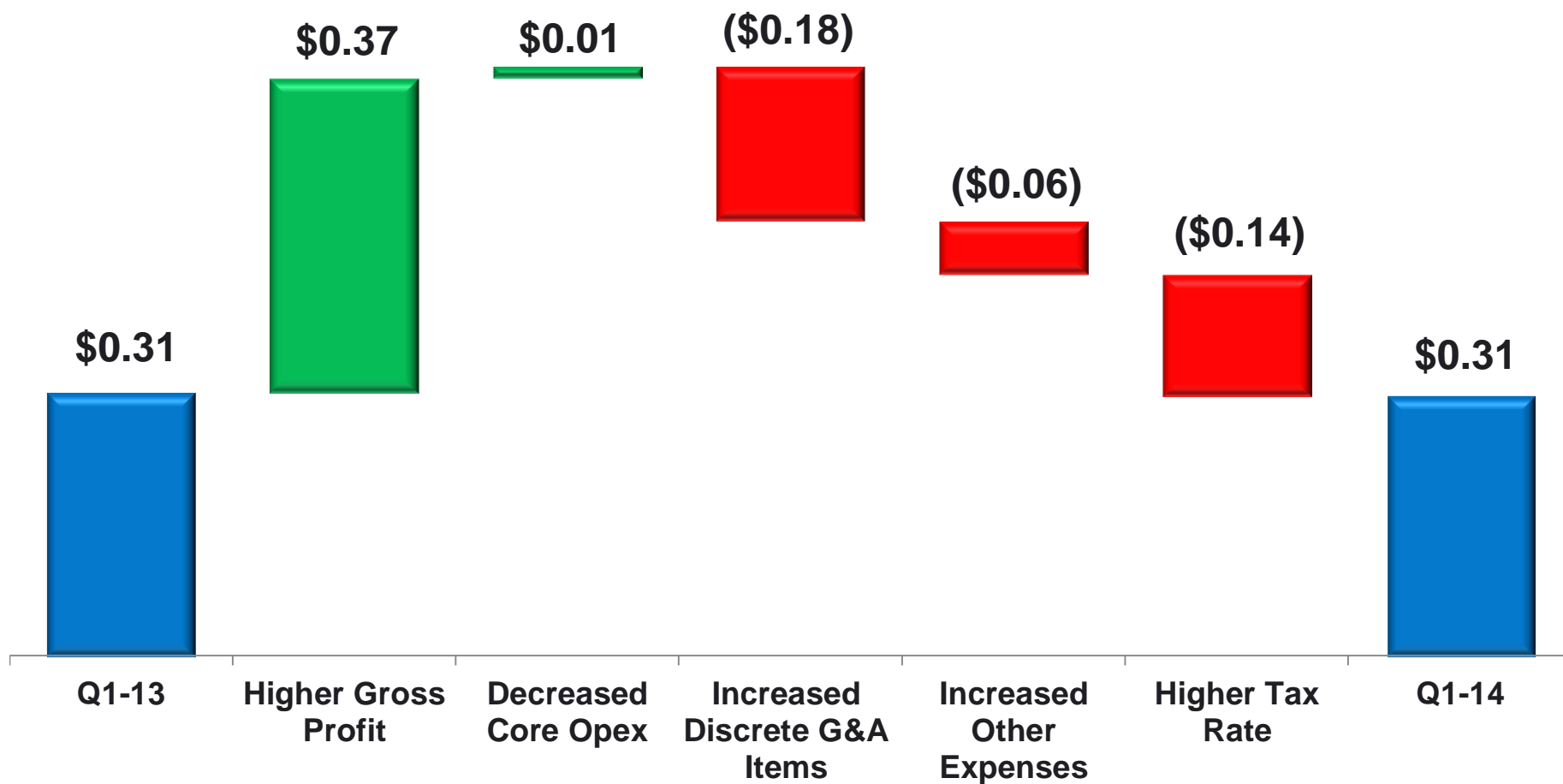
Chart in Millions, actual currency rates

YEAR-OVER-YEAR SUMMARY– Q1 2014

	Q1 2014	Q1 2013	Change
Revenue (in millions)	\$474.8	\$447.5	+6.1%
Gross margin	32.5%	31.3%	+120 bps
Non-GAAP operating margin	4.8%	3.3%	+150 bps
Adjusted EBITDA margin	7.3%	6.0%	+130 bps
GAAP diluted EPS	-\$0.01	\$0.06	-\$0.07
Non-GAAP diluted EPS	\$0.31	\$0.31	flat
Free cash flow (in millions)	\$58.2	-\$14.2	+\$72.4
Bookings (in millions)	\$745	\$447	+66.7%

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

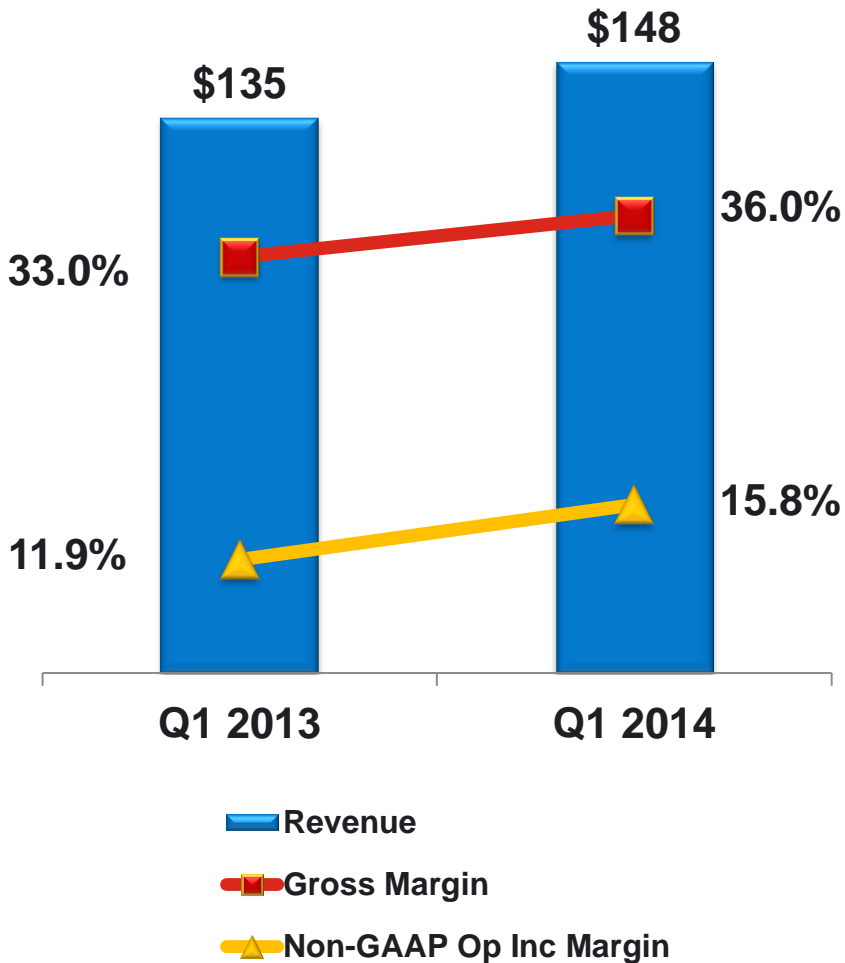
Q1 2014 YR-OVER-YR NON-GAAP EPS BRIDGE



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

WATER SEGMENT

REVENUE AND NON-GAAP MARGINS



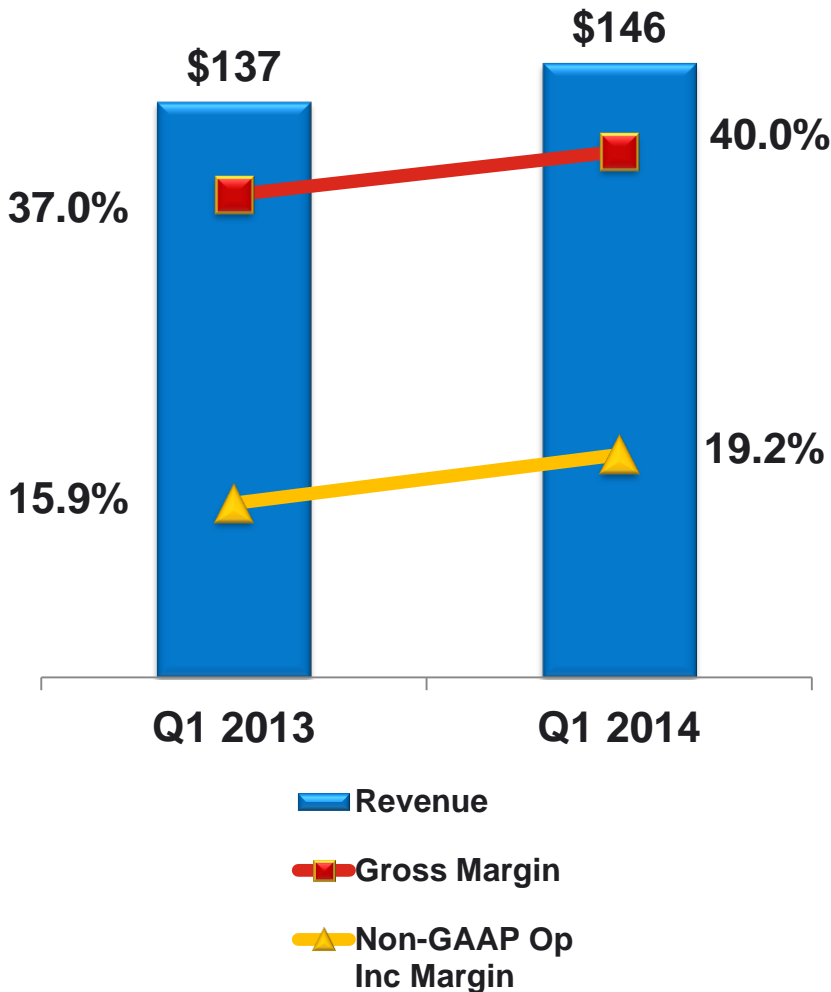
- » **Revenue grew 10.1% year-over year**
 - Increased meter & heat cost allocator sales
 - Strong book & ship orders
 - Benefit from AMI projects
- » **Gross margin up 300 basis points**
 - Benefits from increased meter volumes and product mix
- » **Non-GAAP operating margin up 390 basis points**
 - Increased gross profit offset higher sales commissions and an increased share of allocated corporate costs

Chart in Millions, actual currency rates

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

GAS SEGMENT

REVENUE AND NON-GAAP MARGINS



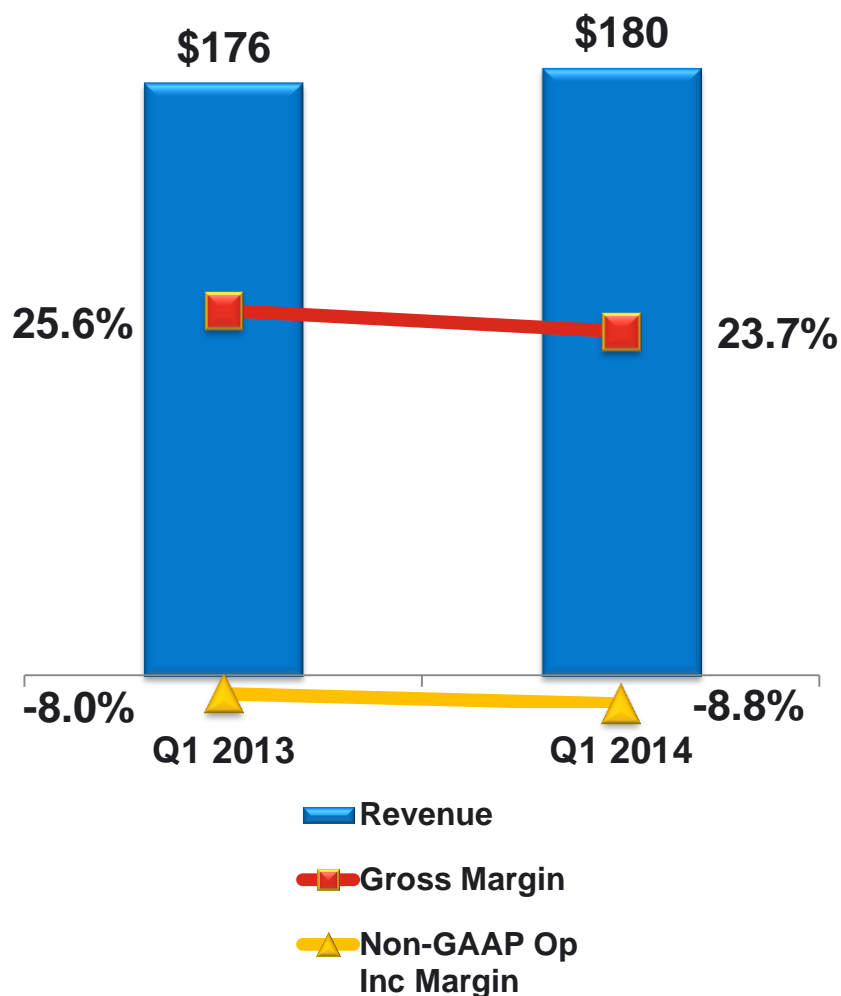
- » **Revenues grew 6.7% year-over-year**
 - Strong customer meter and module orders in North America
 - Other geographies roughly flat Y-o-Y
- » **Gross margin up 300 basis points**
 - Benefits from product mix, increased North American volumes and lower warranty expense
- » **Non-GAAP operating margin up 330 basis points**
 - Higher gross profit offset increased R&D investments for new products

Chart in Millions, actual currency rates

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

ELECTRICITY SEGMENT

REVENUE AND NON-GAAP MARGINS



- » **Revenues grew 2.5% year-over-year, and 5.1% in constant currency**
 - Growth in Smart volumes
 - Decline in standard meter shipments
 - Lower prepayment volumes in Indonesia (re-entering with cost reduced product)
- » **Gross margin down 190 basis points**
 - Product mix and higher special warranty in EMEA
- » **Non-GAAP operating margin down 80 basis points**
 - Flat total operating expenses Y-o-Y
 - Reduced headcount/employee expenses
 - Increased legal and other reserves

Chart in Millions, actual currency rates

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

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THANK YOU

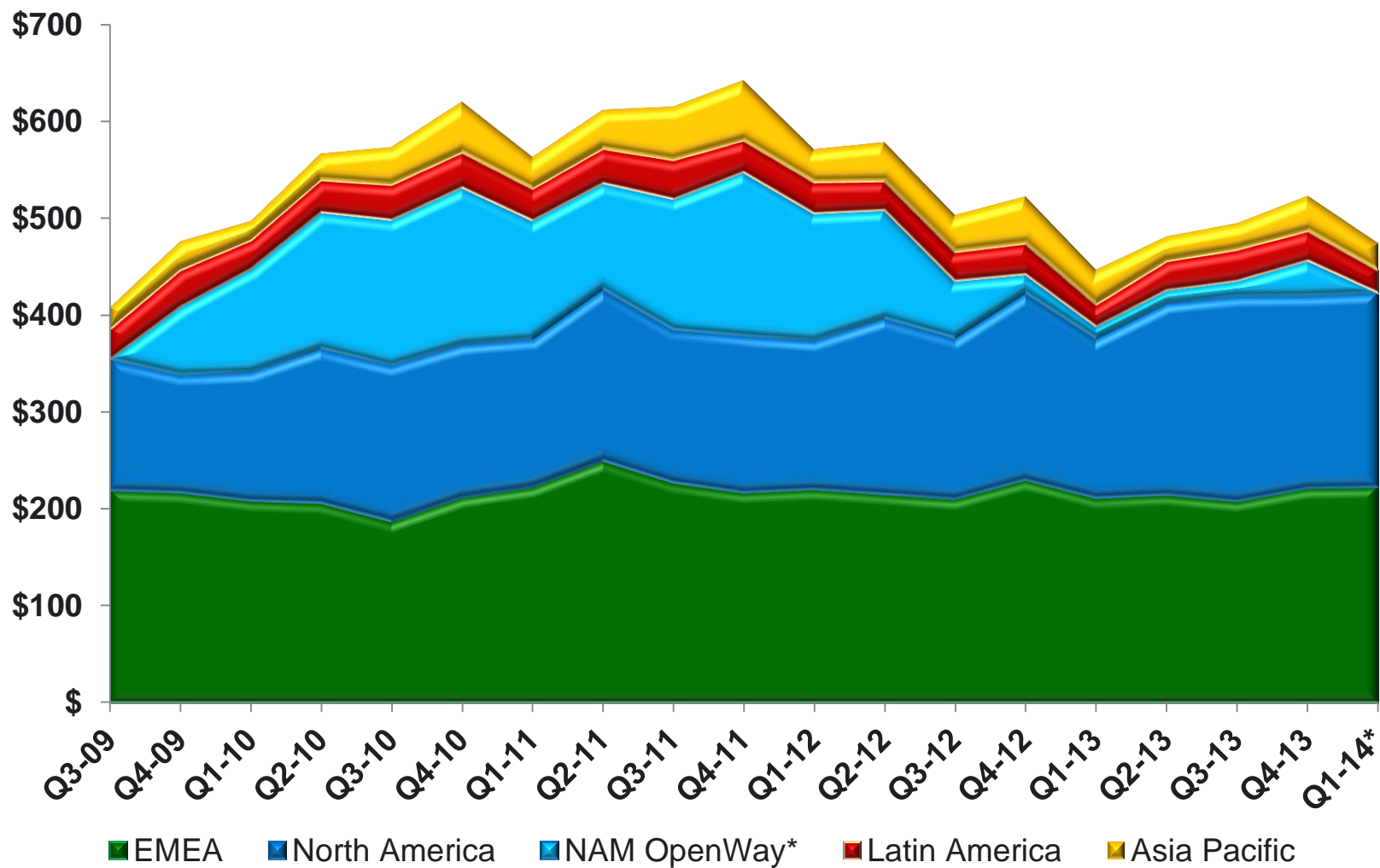


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SUPPLEMENTAL SLIDES

- Historical Revenue Trend by Region
- Historical Revenue Trend by Product Line

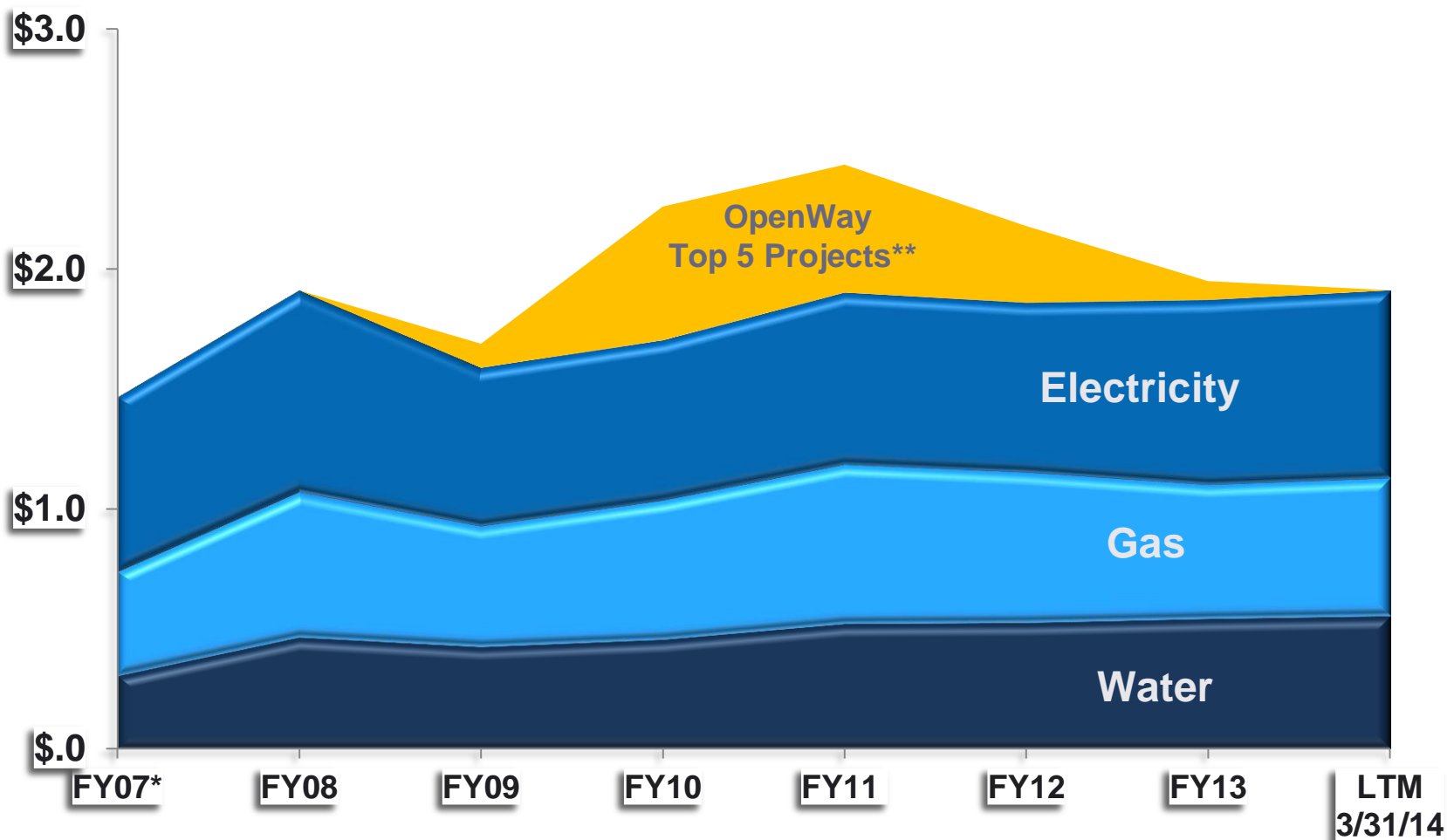
HISTORICAL REVENUE BY REGION



* Top 5 OpenWay revenues no longer reported separately effective Jan 1, 2014 due to substantial completion of these projects

\$ In Millions

HISTORICAL REVENUE BY PRODUCT LINE



\$ in Billions

* Acquired Actaris April 2007

** Top 5 OpenWay revenues no longer reported separately effective Jan 1, 2014 due to substantial completion of these projects