



March 1, 2016

Itron Files Form 12b-25 with Securities and Exchange Commission

LIBERTY LAKE, Wash.--(BUSINESS WIRE)-- Itron, Inc. (NASDAQ:ITRI) announced today it has filed a Form 12b-25, Notification of Late Filing, with the U.S. Securities and Exchange Commission (SEC) relating to the Company's report on Form 10-K for the period ended Dec. 31, 2015.

The Company has determined that additional time is needed to review revenue recognition on certain contracts where the Company has not been able to demonstrate Vendor Specific Objective Evidence (VSOE) of fair value for maintenance contracts associated with certain software solutions for the year ended Dec. 31, 2015. The Company also has identified deficiencies in its revenue processes and controls, the combination of which represents a material weakness. Specifically, the Company did not design and maintain effective controls to determine whether VSOE could be demonstrated for maintenance contracts associated with certain software solutions for the year ended Dec. 31, 2015. The Company is performing additional analyses, including evaluating if the current and prior periods are impacted. Itron is working with its independent auditor, Ernst & Young LLP, to address these matters.

The Company does not expect that the results finally reported will be materially different than the preliminary results announced on Feb. 17, 2016 and furnished to the SEC in the Company's Current Report on Form 8-K dated Feb. 17, 2016. However, there is no assurance that the final results to be included in the Form 10-K will not be materially different.

The Company expects to file the Form 10-K on or before March 15, 2016, the prescribed due date under the fifteen calendar day extension period provided under Rule 12b-25 under the Securities Exchange Act of 1934.

"We are currently reviewing the timing of revenue recognition of certain agreements," said Philip Mezey, Itron's president and chief executive officer. "We remain committed to meeting high standards in providing timely, accurate and transparent financial reporting, and we will require additional time in order to fully complete our analysis. This review is regarding the timing of revenue recognized between periods, with no impact to cash, and no affect on our business outlook, which remains strong."

The Company also reaffirmed its financial guidance for the full year 2016. The guidance is as follows:

- | Revenue between \$1.85 and \$1.95 billion
- | Non-GAAP diluted earnings per share between \$1.95 and \$2.25

This guidance assumes a Euro to U.S. dollar average exchange rate of \$1.10 in 2016, average shares outstanding of approximately 38 million for the year and a non-GAAP effective tax rate for the year of approximately 37 percent.

About Itron

Itron is a world-leading technology and services company dedicated to the resourceful use of energy and water. We provide comprehensive solutions that measure, manage and analyze energy and water. Our broad product portfolio includes electricity, gas, water and thermal energy measurement devices and control technology; communications systems; software; as well as managed and consulting services. With thousands of employees supporting nearly 8,000 customers in more than 100 countries, Itron applies knowledge and technology to better manage energy and water resources. Together, we can create a more resourceful world. Join us: www.itron.com.

Itron® is a registered trademark of Itron, Inc.

Forward Looking Statements

This release contains forward-looking statements concerning our expectations about operations, financial performance, sales, earnings and cash flows. These statements reflect our current plans and expectations and are based on information currently available. The statements rely on a number of assumptions and estimates, which could be inaccurate, and which are subject to risks and uncertainties that could cause our actual results to vary materially from those anticipated. Risks and uncertainties include the rate and timing of customer demand for our products, rescheduling of current customer orders, changes in estimated liabilities for product warranties, changes in laws and regulations, our dependence on new product development and intellectual property, future acquisitions, changes in estimates for stock-based and bonus compensation,

increasing volatility in foreign exchange rates, international business risks and other factors that are more fully described in our Annual Report on Form 10-K for the year ended December 31, 2014 and other reports on file with the Securities and Exchange Commission. Itron undertakes no obligation to update publicly or revise any forward-looking statements, including our business outlook.

Non-GAAP Financial Information

To supplement our consolidated financial statements presented in accordance with GAAP, we use certain non-GAAP financial measures, including non-GAAP operating expense, non-GAAP operating income, non-GAAP net income, non-GAAP diluted EPS, adjusted EBITDA and free cash flow. We provide these non-GAAP financial measures because we believe they provide greater transparency and represent supplemental information used by management in its financial and operational decision making. Specifically, these non-GAAP financial measures are provided to enhance investors' overall understanding of our current financial performance and our future anticipated performance by excluding infrequent or non-cash costs, particularly those associated with acquisitions. We exclude certain costs in our non-GAAP financial measures as we believe the net result is a measure of our core business. Non-GAAP performance measures should be considered in addition to, and not as a substitute for, results prepared in accordance with GAAP. Our non-GAAP financial measures may be different from those reported by other companies. A more detailed discussion of why we use non-GAAP financial measures, the limitations of using such measures, and reconciliations between non-GAAP and the nearest GAAP financial measures are included in this press release.

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Itron, Inc.

Barbara Doyle
Vice President, Investor Relations
(509) 891-3443
or
Marni Pilcher
Director, Investor Relations
(509) 891-3847

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