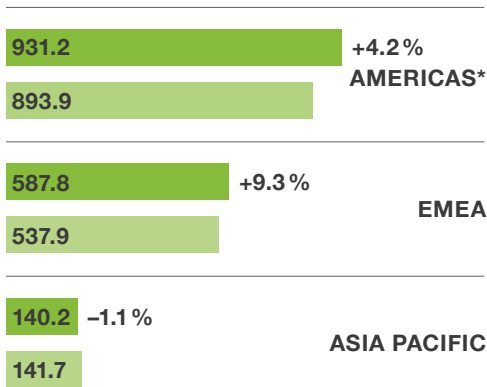


LANDIS+GYR GROUP

SALES IN MILLION USD

1,659.2

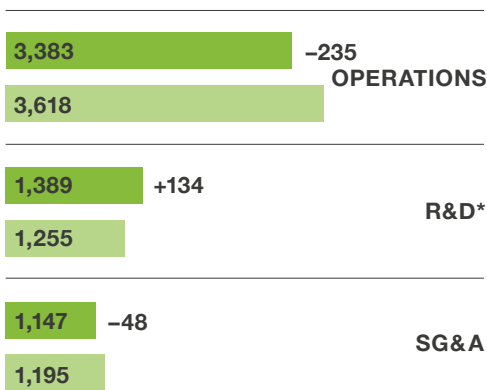


* Including Japan

■ 2016/17 ■ 2015/16

EMPLOYEES

5,919



* Including Product Management

■ 2016/17 ■ 2015/16

IN THE FINANCIAL YEAR 2016/17, LANDIS+GYR STRENGTHENED ITS POSITION AS A LEADING GLOBAL PROVIDER OF INTEGRATED ENERGY MANAGEMENT SOLUTIONS FOR THE UTILITY SECTOR. THE GROUP INCREASED ITS SALES TO USD 1.659 BILLION. THE MAIN PILLARS OF THIS SUCCESS WERE SEVERAL NEW LARGE CONTRACTS, MAINLY IN THE US AND IN EUROPE.

Offering the industry's most comprehensive and interoperable portfolio of intelligent energy management solutions, Landis+Gyr is tapping into new business areas and allowing utilities to realize efficiency gains and adapt their operations to the changing market environment and the needs of their customers.

Digital Technologies Disrupting the Energy Sector

The transformation process in the energy utilities sector continued to gain momentum. The main forces at work here include digitalization, decentralization and decarbonization, which are creating a large number of potential new business opportunities throughout the value chain of utilities. The implementation of regulatory policies, which vary in speed and maturity across geographies, provided further impetus. The transformation process was particularly dynamic in North America and Europe, driven by the kickoff of a second wave of Advanced Metering Infrastructure (AMI) rollouts and investments in Smart Grid solutions in North America and the accelerated implementation of energy-related regulations in Europe. Markets in South America were still affected by a soft economic cycle that produced further delays in major projects. However, initial signs of recovery have been observed. Markets within the Asia Pacific region continued to offer important opportunities as utilities focused on upgrading energy distribution infrastructure and exploring new business models.

The disruptive shifts in the energy sector are offering providers of Smart Grid technology a wide range of new opportunities to address the specific needs of their customers, to come to terms with the growing complexity in the system, and to help utilities embrace complexity as a means of increasing efficiency. Responding to these market requirements, Landis+Gyr's R&D teams successfully continued to expand the functionalities as well as the added value of the Gridstream® solution, especially by leveraging applications to exploit the potential of the Internet of Things (IoT), Big Data and analytics. Given its deep and broad expertise and its unique portfolio of end-to-end solutions with a differentiated value proposition, Landis+Gyr demonstrated an unrivaled commitment to supporting its customers as they navigate the transformation pathways that will help them manage energy better.

Increasing Demand Despite Challenging Business Environment

Unaffected by Toshiba Corporation's financial challenges and despite a tough international growth environment and currency impacts, Landis+Gyr significantly increased sales by 5.45 % to USD 1.659 billion (2015/16: USD 1.574 billion) in its financial year ending March 31, 2017. In local currencies, sales grew by 6.8 %. Order intake amounted to USD 1.3 billion (2015/16: USD 2.0 billion). After a year marked by various major orders won whose rollouts will generate sales over several years to come, order intake normalized to the budgeted amount of USD 1.3 billion (2015/16: USD 2.0 billion). With a total order backlog of USD 2.5 billion (2015/16: USD 2.9 billion), which attests to the firm demand for the Company's innovative solutions, Landis+Gyr is well positioned for sustainable growth in the years to come.

In the reporting period earnings before interest, taxes, depreciation and amortization (EBITDA), normalized to eliminate the result of certain nonoperating effects, amounted to USD 212.0 million (2015/16: USD 221.0 million), a decrease of 4.1 %, caused by unfavorable foreign currency movements and other effects. Driven by consistent annual operating cashflow of more than USD 100 million, Landis+Gyr has consistently reduced its net debt since the acquisition by Toshiba and INCJ. At the end of March 2017, net debt stood below normalized EBITDA level. With an equity ratio of 66.0 % (March 31, 2016: 62.1 %), Landis+Gyr is very favorably positioned to finance its future growth strategies.

Sales Growth in the Americas and in EMEA

Both the Americas and the EMEA regions reported strong external sales growth despite the limited global business growth environment prevailing during the reporting period and the disruptive forces that are transforming energy markets. In Asia Pacific, Landis+Gyr recorded a slight decline in sales. This overall performance establishes a solid foundation for continued success across the Company's worldwide organization.

In the Americas region (including Japan), sales grew by 4.2 %, thanks to accelerated deployments and driven by new business opportunities in connection with digital technologies and the willingness of many North American utilities of all sizes to increase the share of renewable energy sources in their energy mix. Growth in North America offset a drop in sales in the South American markets. Especially in Brazil, AMI deployments continued to be postponed due to the ongoing soft economic cycle. Sales in the EMEA region increased by 9.3 %, headlining the Group's top-line performance. The implementation of large-scale Smart Meter rollouts gained momentum in several European countries as local regulations have been put in place to meet the EU's stated goal of replacing at least 80 % of installed electricity meters with Smart Meters by 2020. In the Asia Pacific region, sales slightly receded by 1.1 % compared to the previous year. An important step in the region came from intelliHUB, a new business unit that offers comprehensive service solutions to energy retail customers in Australia. Other countries in the Asia Pacific region, more specifically India, China and other Southeast Asian countries, are preparing the ground for large-scale AMI rollouts.

Guided by the tremendous expertise of Landis+Gyr's North American technology teams, the Tokyo Electric Power Company (TEPCO) landmark project reached a new milestone as deployment of the solution surpassed 10 million installed end points on the Gridstream® IoT network by the end of fiscal year 2016/17. Upon completion, the project will include more than 27 million meters

LANDIS+GYR GROUP



«With our suite of interoperable, expandable and future-proof technologies and services and major contracts won in all regions around the globe, we are extremely proud of the Company's unique ability to help the world manage energy better.»

Richard Mora
Chief Executive Officer



«With top-line growth of more than 5 %, we continued to expand sales faster than the global economy. Looking ahead, Landis+Gyr is on track for further revenue and profit growth and consistent cash generation.»

Jonathan Elmer
Executive Vice President and Chief Financial Officer

and millions of other devices transmitting 1.3 billion interval data packages daily that will all be processed by Landis+Gyr's Head-End System and Meter Data Management Solution. Driving the connected platform is Landis+Gyr's IPv6 multi-technology network that connects utility and consumer devices blending RF Mesh, G3 PLC and cellular communications in the same network and providing Wi-SUN-compliant connectivity to the premise. TEPCO is the largest electric utility in Japan and the fourth-largest in the world.

In North America, Landis+Gyr signed new contracts for Smart Grid technology and services with numerous utilities, including We Energies for the deployment of an additional 0.5 million AMI end points and CenterPoint Energy for Advanced Grid Analytics of 2.3 million meters. Key milestones in Europe included major wins in the UK, France, Spain and Austria, where utilities are modernizing their infrastructure to meet regulatory requirements. Project highlights in the Asia Pacific region included deals signed with China Light & Power (CLP), Hong Kong, and with Tata Power in India, for the deployment of AMI.

Backed by the broadest portfolio of products and services to address complex industry challenges, Landis+Gyr is looking to the future with confidence. The Company's regional organizations made good progress with major AMI deployments and won further groundbreaking projects from renowned customers around the globe. Interest in managed services, cloud services including Software as a Service (SaaS) offerings as well as consulting services have increased.

Investments in Innovation Leadership

Landis+Gyr again invested heavily in Research & Development (R&D) to further strengthen its state-of-the-art offering aimed at supplying its customers with game-winning solutions to current and future business challenges. In the financial year 2016/17, R&D spending hit a new record high of USD 162,8 million, equivalent to 9.8% of the Company's annual sales. The strategic vision focused on identifying and developing solutions aimed at increasing IoT enablement and leveraging the use of Big Data and analytics to improve forecasting, network modelling, management strategies and system reliability. Consequently, the share of R&D investments directed at software projects increased significantly during the reporting period.

A core element of Landis+Gyr's R&D initiatives are metering and communication technologies that promote connectivity and interoperability and ensure data security. In August 2016, Landis+Gyr successfully completed Wi-SUN US profile physical layer certification of the radio technology used in Gridstream® solutions. The industry alliance certification ensures future interoperability of RF-enabled hardware deployed in Smart Grid networks. A series of additional functionalities were added to Landis+Gyr's comprehensive Advanced Grid Analytics platform, which uses advanced algorithms to resolve grid management challenges and offers a full suite of applications that leverage existing Smart Grid investments. The addition of real-time, active voltage monitoring capabilities and visualization tools helps avoid power-quality issues, reduce field effort and minimize customer complaints. The Network Model Validator improves reliability, quality of service and safety. The Reliability Planner supports grid reliability initiatives and reduces outages. With the release of Command Center 7.0, a Smart Grid network operating software, Landis+Gyr expanded the range of capabilities for connecting and communicating with intelligent IP-based devices used in distribution-line sensors, controllers and streetlight controls for electric, water and gas distribution systems. Furthermore, in July 2016, the 50 millionth unit of Landis+Gyr's industry-leading advanced electricity meter FOCUS AX-SD was produced at the North American manufacturing plant in Reynosa, Mexico, which is a clear proof of the popularity of this groundbreaking device among its customers.

LANDIS+GYR GROUP



«Accelerated AMI rollouts underpin Landis+Gyr's future top-line growth and set the stage for further value-creating opportunities beyond Smart Metering.»

Roger Amhof
Executive Vice President and Chief Strategy Officer



«Strict auditing according to the highest industry standards and close cooperation with our key suppliers on every step of the value chain, backed by our state-of-the-art e-sourcing procurement tool, ensure cost-competitive products and the highest service quality standards.»

Dieter Hecht
Executive Vice President and Chief Procurement Officer

Committed to the Highest Quality

One focus in the past financial year was on promoting the Company's Zero Defects Initiative. Zero Defects describes Landis+Gyr's ambition to meet the commitments it makes and consists of an overall process approach aimed at achieving quality leadership in markets worldwide. Landis+Gyr's customers in the utilities sector expect products and services that deliver the required functionality from day one, around the clock, 365 days a year. In order to meet their expectations, Landis+Gyr is dedicated to providing a zero-defect outcome for every component of its product and service portfolio, through its full lifecycle. The initiative is directed at encouraging employees to prevent mistakes. Thus, by developing a constant, conscious emphasis on quality in every step of the process from concept to design, manufacturing, delivery and service. This goes in line with defining a performance standard and sharpening their ability to recognize what meets the standard.

In line with the commitment to quality, Global Procurement secured high availability of key components by strengthening the partnership with key suppliers. Regular audits helped keep quality levels high. Furthermore, long-sighted strategies and close cooperation with strategic partners allowed to secure favorable conditions, essential to sustain competitiveness of Landis+Gyr's material costs.

Based on the Group's outstanding achievements in promoting innovation and quality, Landis+Gyr received the 2016 Global Frost & Sullivan Award for Technology Leadership as well as the 2016 Global Company of the Year Award. Landis+Gyr was awarded this distinguished recognition by Frost & Sullivan for the third year in a row, honoring the Group's visionary implementation of best practices in the Advanced Metering market and the solutions it delivers for resolving the complex challenges utilities are facing today.

Executive Transition

As part of a well-planned transition for management continuity, the Board of Directors has promoted Richard Mora to Chief Executive Officer of Landis+Gyr, effective April 1, 2017. He succeeds Andreas Umbach, who became Landis+Gyr's Chairman. In this function, Andreas Umbach will focus his attention on the strategic direction of the Group. Richard Mora joined Landis+Gyr in the year 2000 and has been a key contributor in transitioning the Company from a dedicated metering provider to the most advanced provider of networking and IoT solutions in the energy industry.

Leadership Position and Favorable Regulatory Environment to Accelerate Growth

As a global Company with the world's largest installed base in electricity metering and Advanced Metering Infrastructure (AMI), Landis+Gyr is well positioned to capture new opportunities. A favorable regulatory environment is expected to pave the way for accelerated AMI rollouts, underpinning Landis+Gyr's future top-line growth. Whilst continuing to serve the needs of utilities, management has identified further potential in the expansion of software and services activities and is continuously evaluating strategic acquisitions that would allow the Group to enter adjacent product categories or new geographic markets.

In North America, Landis+Gyr is well positioned to maintain industry leadership and to capture growth in Latin America. In the EMEA sales region, major AMI rollouts in France, the UK, the Nordics, Germany and Italy signal favorable growth prospects. In Asia Pacific, the Group expects the Australian market to be a key driver of growth and it aims to strengthen its leadership position in the higher value-added electricity and gas metering segments across the region by introducing the Company's AMI offering to Asia's emerging markets.