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Landis+Gyr plans IPO and listing on SIX Swiss Exchange

- **SIX listing planned in Q3 2017**
- **Global leader in smart metering solutions with over 120 years of service to utility customers**
- **Strong brand recognised for technology leadership and differentiated offering addressing the evolving challenges in the utilities environment**
- **Proven track record of delivering profitable growth and margin resilience**
- **Attractive dividend distribution policy based on a strong and growing cash flow profile**
- **Current shareholders Toshiba and INCJ expected to sell their entire holdings in Landis+Gyr in the IPO**

Zug, July 3, 2017 – Landis+Gyr Holding AG (“Landis+Gyr” or the “Company”), a global leader in transforming the way energy is delivered and managed, today announced its plan to list its shares on SIX Swiss Exchange. The envisaged Initial Public Offering (“IPO”) is expected to take place in Q3 2017 and the current shareholders Toshiba Corporation (owning 60% of Landis+Gyr’s share capital) and INCJ (owning the remaining 40%) plan to sell their combined entire holdings in the IPO.

Richard Mora, CEO of Landis+Gyr, comments: “Landis+Gyr is an over 120-year-old icon and one of the smartest in the metering industry. The planned IPO is an exciting next step in our growth story. We look forward to welcoming our new public shareholders, as they join us on our path to help the world manage energy better.”

Leading provider of integrated energy management solutions

With sales of approximately USD 1.7 billion in the year ended March 31, 2017, Landis+Gyr is a leading global provider of smart metering and energy management solutions, operating one of the largest installed bases in the industry with over 300 million devices. Building on over 120 years of industry experience, Landis+Gyr has been at the forefront of the evolution of the global utility industry, enabling its transition from traditional towards “smart” grids. The Company is a clear market leader in the electricity smart metering market – the largest metering market segment – with #1 position globally as well as in North America, South America, and APAC (Asia-Pacific) (excluding China) and #2 in EMEA (Europe, the Middle East and Africa). It also holds a #2 position globally and #1 in EMEA in the attractive gas smart metering market.¹

Differentiated offering designed to address the challenges of the utilities sector

The Company offers utilities a full set of end-to-end Advanced Metering Infrastructure (“AMI”) solutions to address the most complex challenges – from increased grid complexity, decentralization and intermittent power flows to distributed energy resource management and demand response. The products and solutions of Landis+Gyr help to facilitate real-time

¹ Source: IHS 2016 for all referenced market positions

interaction and communication of power grid elements and improve grid management capabilities of the utilities, increasing efficiency and reliability of energy supply. The Company's product range includes a broad portfolio of connected intelligence devices as well as a leading software and solutions offering based on its integrated Gridstream® energy management platform.

Technology leadership driven by focused investment in research and development

Landis+Gyr is among the industry leaders in applied technology for utilities as a direct result of the Company's constant focus on innovation and dedicated investments in research and development ("R&D"). The Company owns an extensive portfolio of patents and has one of industry's largest R&D teams with over 1,300 hardware and software engineers. The cost efficiency of Landis+Gyr's R&D investments will be enhanced by a new platform-based approach to innovation. The Company's strength in R&D and its global presence ensure tailor-made product development, a key success factor in the diverse, multinational markets Landis+Gyr operates in.

Andreas Umbach, Designated Chairman of the Board of Directors of Landis+Gyr observed: "The Company has successfully transitioned from a dedicated metering provider to offering customers the most advanced networking and IoT solutions in the industry. With annual R&D investments of around 9% of total sales over the past three years, we believe we are well positioned to lead global utility technology trends."

Access to an attractive set of end markets and regions with different maturities

The global smart metering market with its distinct regional drivers offers a dynamic growth opportunity. In EMEA and APAC the first wave of AMI / smart grid deployments are expected to accelerate in the near term, as national regulations require transition to smart metering and smart grid structures. In more mature markets with already established AMI infrastructure, such as North America, second wave deployments and grid upgrades offer new areas of growth. Given its leading positions in key markets, its significant installed base and its global presence, Landis+Gyr is well positioned to benefit from several regional trends in smart metering and AMI development.

Proven track record of delivering profitable growth and margin resilience

Landis+Gyr has a proven track record of delivering profitable growth across economic and industry cycles. During 2004-2012, Landis+Gyr spearheaded the dynamic growth of the smart metering solutions market, when early adopters around the globe initiated first AMI rollout programs. In the years 2012-2016, as AMI deployments in key end-markets slowed down due to regulatory uncertainty, Landis+Gyr in anticipation of upcoming market recovery successfully adjusted its business operations and increased its focus on R&D. Due to the proactive focus on innovation, Landis+Gyr is now well positioned to profit from the attractive growth opportunities of the AMI / smart metering markets.

Experienced, internationally diverse management team

Landis+Gyr's management team has a proven track record of delivering growth through several macroeconomic cycles, technology transformations and multiple changes of ownership. The management team's in-depth understanding of the utility industry's needs has resulted in the development of a broadened product portfolio, expanded customer base and extended global reach.

The Company is led by an experienced and committed management team, which together offer more than a century of experience at Landis+Gyr. The Management Board is led by Richard Mora, who has spent 18 years at Landis+Gyr and previously held management positions at Siemens and GE Capital. The Board of Directors will be chaired by Andreas Umbach, who has been with the company for 18 years and was Richard Mora's predecessor as CEO. In addition to himself, Mr. Umbach has assembled a high quality board, with 5 independent board members with all the requisite sector, financial and board experience.

Attractive shareholder return policy

Landis+Gyr's dynamic growth profile, its strong cash flow generation capabilities and its solid balance sheet are expected to enable the Company to implement an attractive and sustainable shareholder return policy post-IPO. For fiscal year 2017, the Company envisages to distribute (subject to legal considerations) a dividend of at least the Swiss franc equivalent of USD 70 million, which will be paid in 2018. From 2018 onwards, Landis+Gyr expects at least a 60% payout from free cash flow to equity.

Offer summary

The intended IPO will consist of a secondary offering of all existing shares held by Toshiba Corporation and INCJ to institutional and retail investors in Switzerland and to certain qualified institutional investors in various other jurisdictions. Both current shareholders intend to sell 100% of their Landis+Gyr shares in the IPO. UBS and Morgan Stanley are acting as Joint Global Coordinators and Joint Bookrunners for the IPO. Credit Suisse and JP Morgan are acting as additional Joint Bookrunners, while Bank Vontobel and Mizuho are acting as Co-Bookrunners in connection with the IPO. Lilja & Co. is acting as the independent financial adviser to Landis+Gyr, Toshiba and INCJ. Niederer Kraft & Frey and Morrison & Foerster LLP are acting as legal advisers to Landis+Gyr, Toshiba and INCJ, with Bär & Karrer and Sullivan & Cromwell LLP representing the managers.

About Landis+Gyr

Landis+Gyr is the leading global provider of integrated energy management solutions for the utility sector. Offering the broadest portfolio of products and services to address complex industry challenges, the company delivers comprehensive solutions for the foundation of a smarter grid including, smart metering, distribution network sensing and automation tools, load control, analytics and energy storage. Landis+Gyr operates in over 30 countries across five continents. With sales of approximately USD 1.7 billion, the company employs c. 6,000 people with the sole mission of helping the world manage energy better. More information is available at www.landisgyr.com.

Key figures (in USD million)	2016/17	2015/16	Δ%
Net revenue	1,659.2	1,573.5	5.4%
R&D investments	162.8	148.4	9.8%
Net loss	(62.1)	(13.5)	360.0%
EBITDA (unaudited) ⁽¹⁾	150.8	160.0	(5.7%)
Adjusted EBITDA (unaudited) ⁽²⁾	212.0	221.0	(4.1%)
Employees (FTE)	5,919	6,001	(1.4%)

Audited figures: Financial year ended per March 31

(1) EBITDA is calculated as net income (loss) excluding interest income and expense, net, gain (loss) on foreign exchange related to intercompany loans, net, income tax expense (benefit), amortization of intangible assets, depreciation and impairment of intangible and long-lived assets. EBITDA is a non-U.S. GAAP financial measure.

(2) Adjusted EBITDA is calculated as EBITDA adjusted for restructuring charges (2016/17: USD 3.8 million; 2015/2016: USD 5.9 million), exceptional warranty related expenses (2016/2017: USD 6.4 million; 2015/16: USD 44.2 million), normalized warranty related expenses (2016/17: USD 25.2 million; 2015/2016: USD 5.5 million) and special items (2016/17: USD 25.7 million; 2015/2016: USD 5.4 million). Adjusted EBITDA is a non-U.S. GAAP financial measure.

About Toshiba

Toshiba is a world leader and innovator in pioneering high technology, a diversified manufacturer and marketer of advanced electronic and electrical products spanning digital consumer products; electronic devices and components; power systems, including nuclear energy; industrial and social infrastructure systems. Toshiba was founded in 1875, and today operates a global network of more than 516 companies, with 166,892 employees worldwide and annual sales surpassing 5.7 trillion yen (USD52 billion). More information is available at www.toshiba.co.jp.

About INCJ

Innovation Network Corporation of Japan (INCJ) is a public-private investment company, jointly owned by the Government of Japan and 26 leading private Japanese corporations. Through its Innovation Network Committee, INCJ assesses investment opportunities that contribute to industrial innovation in Japan in line with criteria set by the Government. INCJ specifically supports projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to JPY2 trillion (approx. US\$20 billion). More information is available at www.incj.co.jp.

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