Half Year Report 2018

Landis+Gyr
manage energy better

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Letter to Shareholders

Dear Shareholders,
As we conclude the first half of FY 2018, Landis+Gyr Group AG remains well positioned to seize the opportunities that are coming into the marketplace. Utilities around the world are continuing to transform their infrastructure and to deploy smart technologies to solve the many challenges facing this critical industry. Both regulatory and business case drivers are pushing this evolution, and utilities need a strong partner to confidently meet these increasingly complex requirements. Utilities know that Landis+Gyr, as the smart metering industry's leader, is equipped with the broadest portfolio in the market and has the experience of deploying solutions tailored to meet utilities' increasingly complex use cases as they seek to manage energy better.

Landis+Gyr's financial result for the first half of FY 2018 benefited from strong demand in the Americas, (where sales excluding Japan were up 14% in constant currency), and the continued impact of the Company's operational improvement programs. These impacts were sufficient to offset continued supply chain challenges and some weakness in revenues in EMEA, leaving the Group's Adjusted EBITDA for the first half of FY 2018 at USD 106.8 million, slightly above the result for the first half of FY 2017. EMEA's Adjusted EBITDA performance for the first half was essentially break-even as the benefits from new product introductions and our restructuring programs showed through. The Group result was achieved on revenue which declined by 1.9% in constant currency terms. Free cash flow excluding M&A activities came in at USD 14 million. Landis+Gyr has a strong and consistent record of cash generation with free cash flow excluding M&A over the four fiscal years FY 2014 to FY 2017 averaging around USD 84 million per year. Historically, our cash generation has been skewed to the second half, and we expect that to be the case in FY 2018 as well.

Regional overview

Americas
The performance of the business in the Americas continues to be highly resilient, posting overall revenue growth in constant currency terms of 5.6%. Overall, the North American market remains strong and top line growth was helped by some major projects reaching full deployment speed. We continue to see good traction in the public power markets and we were pleased to announce some significant further wins in this part of the market, notably with Kissimmee Utility Authority, South Plains and Sulphur Springs to name just a few.

Our US managed services business provides data and field services to utility customers all around the country with more than 15 million meters under contract. It is a unique offering in our industry and allows Landis+Gyr to leverage our network capability across the country into a service offering. Because this model provides for long term engagement with utilities and gives us the advantage of a scalable, centralized network operations center, we have had a very high success rate of contract renewals. In FY 2018, we signed a new contract with an existing customer, JEA, to accelerate the deployment of 250'000 smart meters across their service territory.

In Japan, our project with TEPCO continues to perform above customer expectations with over 19 million meters installed and an additional 500 thousand installed every month. When fully deployed, Landis+Gyr's network communications and software technology will handle 1.3 billion packets of data every day from the nearly 30 million meters deployed throughout Tokyo, making this the most ambitious utility IoT project in the world. We continue to help TEPCO to identify new applications which can leverage their Landis+Gyr network. However, as expected, our revenue has started to decline from the project as we have enabled other vendors to provide certain components of the TEPCO system under license from Landis+Gyr, as agreed with TEPCO at the start of the project; accordingly, compared to H1 of FY2017, our Japan revenue fell by USD 33 million.

EMEA
In our most important market in EMEA, the UK, we experienced a temporary slowdown in demand as the energy retailers anticipated the transition to the next generation of smart meters, SMETS2. Accordingly, we were pleased to note that the UK government has now confirmed that the transition to SMETS2 will start in December 2018. During H1 FY 2018, we booked additional UK orders of GBP 161 million into committed order backlog; we now have 18 million meters deployed or under contract.

Elsewhere in the region, we continue to participate in Enedis's deployment of smart meters in France and we were pleased to be awarded a significant share of the next stage of their deployment with a contract value expected to be at least EUR 87 million. In Sweden, where the entire first-generation smart meter infrastructure is set to be renewed by 2024, Landis+Gyr signed a framework agreement with Sinfra, a central procurement organization which manages purchasing for more than 190-member companies and their subsidiaries from the Swedish energy sector. As we look to increase our services and software footprint in Europe, we were pleased with the progress which we have made in our meter service contract with Caruna in Finland. We have started to manage 660'000 meters on behalf of Caruna with a seamless transition taking place from Caruna's previous system to Landis+Gyr's Gridstream AIM service platform.

Overall, our determined efforts to drive operational improvements in EMEA are becoming visible, with the region able to grow gross profit and reduce operating expenses notwithstanding lower sales and supply chain constraints.

Asia Pacific
In Australia, Landis+Gyr has developed the appropriate business model for the post 'Power of Choice' regulatory environment, where energy retailers now require not only an accredited data and field services provider but also asset financing capability. To address this situation, we sold our accredited intelliHUB metering service business into a newly formed joint venture with Pacific Equity Partners to acquire Acumen, the metering business owned by Origin Energy, Australia's leading energy retailer. The acquisition of Acumen is a major milestone and firmly positions the joint venture as a market leader in the Australian services business. To execute this transaction Landis+Gyr transferred its intelliHUB business and contributed cash of USD 18.9 million for 20% of the share capital in the joint venture. By supplying the joint venture with products and solutions, coupled with our equity stake, Landis+Gyr is well positioned for the new realities in this key market. A one-time non-cash gain of USD 15.5 million was booked on the sale of intelliHUB.

Technology & innovation
As the global market leader Landis+Gyr continuously brings innovation to solve complex utility problems around the globe, and in H1 FY 2018 adjusted research and development (R&D) expenses were USD 76.4 million or 9.0% of revenue. These investments have allowed Landis+Gyr to introduce new products and applications, such as our new streetlight controller and head end software update (Command Center 7.3), both bringing intelligence and computing power to the grid edge. Our deployment of the most advanced open standards based, multi-technology network solution in the industry – being deployed in Japan and elsewhere today – is now at a scale unsurpassed in the industry, and clearly demonstrates that Landis+Gyr is best positioned to capture the coming growth in utility infrastructure upgrade programs and smart city deployments.

Operational execution
We have a very strong focus on operational excellence and the delivery of the programs we have in place. Industry-wide supply chain challenges continued with lead times for a small number of components extending to 40 weeks. Availability of approximately 100 passive components (mainly certain types of capacitors, resistors and inductors) has been impacted by rising demand in several other industry sectors. This caused us to defer shipment of customer orders on hand worth about USD 20 million and also resulted in incremental component and freight costs for the Group as a whole of approximately USD 12.1 million. Historically, Landis+Gyr has held safety stock of long lead time key components but not of passive devices, which in the past were widely available on relatively short lead times. Landis+Gyr continues to work closely with its vendors on this issue, but overall market conditions remain challenging.

Margins in EMEA were helped by the introduction of new cost reduced products. These introductions made a major contribution to the improvement in the underlying Adjusted Gross Profit margin of 420 bps before considering incremental supply chain costs. Further cost reduced product introductions are planned for the second half of FY 2018.

Continued control of expenses around the group and the further impacts of EMEA's restructuring programs resulted in Adjusted Operating Expenses of USD 185.2 million in H1 FY 2018, a reduction of USD 12.6 million year over year. Landis+Gyr's two major cost reduction programs in EMEA continue to show good results. Project Phoenix aims at reducing the cost base by closing certain offices, unifying various back office functions and improving productivity in all functions. Phoenix is delivering USD 20 million in annualized savings and the program is now fully implemented, having reached its targeted savings. The second program, Project Lightfoot, is aimed at bundling and outsourcing certain manufacturing activities to enhance production efficiencies, lower supply chain costs and further reduce capital intensity. When fully implemented at the end of FY 2020, Project Lightfoot is expected to deliver savings of approximately USD 25 million annually compared to the cost base at the time of the IPO.

Finally, we want to mention that we have identified two new regional leaders for EMEA and Asia Pacific. Susanne Seitz will join Landis+Gyr as the new Executive Vice President for EMEA on November 19, 2018. In Asia Pacific, Steve Jeston has been named as the Interim Head of the region and is currently in place.

FY 2018 Outlook
Landis+Gyr expects the second half of FY 2018 to be stronger than the first half; however, the supply chain situation remains challenging and leads to greater uncertainty than usual. Landis+Gyr's outlook for FY 2018 net revenues is 1–3% growth year over year. Adjusted EBITDA is expected to be in the range between USD 217 million and USD 237 million, as EMEA and Asia Pacific further improve their performance over the course of the second half and the Americas remains resilient. FY 2018 Free Cash Flow (excluding M&A activities) is expected to be between USD 90 million and USD 110 million. The FY 2018 dividend is expected to be the Swiss franc equivalent of at least 75% of Free Cash Flow (excluding M&A activities) and is expected to be no less than the FY 2017 dividend amount of CHF 2.30 per share.

Sustainability report
Landis+Gyr, as an industry leader, is continuously making further improvements in its sustainability efforts. In that light, please find our just released FY 2017 Sustainability Report.

In conclusion, we are confident that the Company has the right strategy, technology, products, and people to continue to be the global leader in this exciting industry. We are entirely focused on ensuring that we execute against our plans and thereby create value for our shareholders. As a business that successfully transitioned from being a dedicated metering provider to offering our customers the most advanced networking and IoT solutions in the industry, Landis+Gyr is devoted to managing global and industrial cycles in the best interest of its customers – and this balance makes us the benchmark of the industry.

Yours sincerely,

Andreas Umbach
Chairman

Richard Mora
CEO

Key Figures

(in million USD, unless otherwise indicated)	Half Year ended September 30, 2018	2017	CHANGE USD	Constant Currency
Order Intake	910.0	821.4	10.8%	10.3%
Committed Backlog	2’347.9	2’478.8	(5.3%)	(3.1%)
Net revenue	852.9	865.6	(1.5%)	(1.9%)
Adjusted Gross Profit	291.9	304.4	(4.1%)	(4.2%)
Reported EBITDA*	114.9	40.8	181.6%	180.2%
Adjusted EBITDA*	106.8	106.5	0.3%	0.0%
as % of net revenue	12.5%	12.3%		
Net income attributable to Landis+Gyr Group AG Shareholders	59.2	5.1	1’060.8%	976.4%
Basic and diluted earnings per share (USD)	2.01	0.17	1’082.4%	978.5%
Net cash provided by operating activities	30.9	39.1	(21.0%)	(19.8%)
Free Cash Flow[1]	14.1	20.6	(31.6%)	(29.0%)
Net Debt	110.4	107.3	2.9%	3.3%

1 Net cash provided by operating activities, minus net cash used in investing activities, excluding merger & acquisition activities.

COMMITTED BACKLOG				
Americas	1’522.5	1’716.4	(11.3%)	(9.6%)
EMEA	760.2	712.3	6.7%	9.6%
Asia Pacific	65.1	50.1	29.9%	38.8%
Total	**2’347.9**	**2’478.8**	**(5.3%)**	**(3.1%)**

In addition to the committed backlog shown above, contingent backlog represents an amount of USD 321.0 million as of September 30, 2018 versus an amount of USD 364.2 million as of September 30, 2017.

NET REVENUE TO EXTERNAL CUSTOMERS				
Americas	497.5	475.2	4.7%	5.6%
EMEA	291.6	320.7	(9.1%)	(11.6%)
Asia Pacific	63.8	69.7	(8.5%)	(6.6%)
Total	**852.9**	**865.6**	**(1.5%)**	**(1.9%)**

ADJUSTED GROSS PROFIT				
Americas	198.0	208.5	(5.0%)	(4.3%)
EMEA	81.0	79.8	1.5%	(0.9%)
Asia Pacific	12.8	15.0	(14.7%)	(12.3%)
Inter-segment eliminations	0.1	1.1		
Total	**291.9**	**304.4**	**(4.1%)**	**(4.1%)**

ADJUSTED EBITDA*				
Americas	102.2	105.9	(3.5%)	(3.2%)
EMEA	(0.4)	(3.9)	89.7%	87.9%
Asia Pacific	(3.6)	(5.5)	34.5%	33.3%
Corporate unallocated	8.6	10.0		
Total	**106.8**	**106.5**	**0.3%**	**0.0%**

ADJUSTED EBITDA % OF NET REVENUE TO EXTERNAL CUSTOMERS*		
Americas	20.5%	22.3%
EMEA	(0.1%)	(1.2%)
Asia Pacific	(5.6%)	(7.9%)
Group	**12.5%**	**12.3%**

* Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, H1 2017 EBITDA has been revised down by USD 2.3 million as all pension income and expenses other than service costs are now reported under “Other income (expense)”. Net income is unchanged.

Interim Condensed Consolidated Financial Statements (unaudited)

Interim Condensed Consolidated Statements of Operations (unaudited)

USD in thousands, except per share data and number of shares	SIX MONTHS ENDED SEPTEMBER 30, 2018	2017
Net revenue	**$852'910**	**$865'639**
Cost of revenue	576'979	622'913
Gross profit	**275'931**	**242'726**
Operating expenses		
Research and development	78'862	83'247
Sales and marketing	46'870	54'725
General and administrative	64'897	94'896
Amortization of intangible assets	17'714	17'674
Operating income (loss)	**67'588**	**(7'816)**
Other income (expense)		
Interest income	272	368
Interest expense	(3'114)	(3'761)
Non-operational pension (cost) credit	2'080	2'274
Gain on divestments	15'545	-
Income (loss) on foreign exchange, net	(2'484)	7'862
Income (loss) before income tax expense	**79'887**	**(1'073)**
Income tax benefit (expense)	(19'114)	6'330
Net income before noncontrolling interests and equity method investments	**60'773**	**5'257**
Net loss from equity investments	(1'701)	-
Net income before noncontrolling interests	**59'072**	**5'257**
Net income (loss) attributable to noncontrolling interests, net of tax	(137)	185
Net income attributable to Landis+Gyr Group AG Shareholders	**$59'209**	**$5'072**
Earnings per share:		
Basic and diluted	$ 2.01	$ 0.17
Weighted average number of shares used in computing earnings per share:		
Basic and diluted	29'507'940	29'510'000

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Comprehensive Income (unaudited)

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands	2018	2017
Net income (loss) before noncontrolling interests	**$ 59’072**	**$ 5’257**
Other comprehensive (loss) income:		
Foreign currency translation adjustments, net of income tax expense	(12’345)	(413)
Pension plan benefits liability adjustments, net of income tax expense	4’511	7’073
Comprehensive income (loss)	**51’238**	**11’917**
Net loss (income) attributable to noncontrolling interests, net of tax	137	(185)
Foreign currency translation adjustments attributable to the noncontrolling interests	546	29
Comprehensive income (loss) attributable to Landis+Gyr Group AG Shareholders	**$ 51’921**	**$ 11’761**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Balance Sheets (unaudited)

USD in thousands, except share data	September 30, 2018	March 31, 2018 AUDITED
ASSETS		
Current assets		
Cash and cash equivalents	$ 45’891	$ 101’763
Restricted cash	–	5’000
Accounts receivable, net of allowance for doubtful accounts of $5.7 million and $6.2 million	329’151	315’788
Inventories, net	138’777	121’398
Prepaid expenses and other current assets	55’384	45’363
Total current assets	**569’203**	**589’312**
Property, plant and equipment, net	144’832	164’400
Intangible assets, net	355’850	381’674
Goodwill	1’353’910	1’361’591
Deferred tax assets	15’742	16’021
Other long-term assets	79’552	37’683
TOTAL ASSETS	**$ 2’519’089**	**$ 2’550’681**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	$ 186’889	$ 150’168
Accrued liabilities	35’222	40’015
Warranty provision	33’306	47’870
Payroll and benefits payable	49’406	65’210
Loans payable	156’373	142’327
Other current liabilities	66’074	69’655
Total current liabilities	**527’270**	**515’245**
Warranty provision – non current	16’560	25’557
Pension and other employee liabilities	45’754	55’743
Deferred tax liabilities	31’713	32’520
Tax provision	26’347	25’492
Other long-term liabilities	80’449	88’103
Total liabilities	**728’093**	**742’660**
Commitments and contingencies – Note 13		
Shareholders’ equity		
Landis+Gyr Group AG shareholders’ equity Registered ordinary shares (29’510’000 issued shares at September 30, 2018 and March 31, 2018, respectively)	309’050	309’050
Additional paid-in capital	1’407’474	1’475’421
Retained earnings	114’930	55’721
Accumulated other comprehensive loss	(42’842)	(35’554)
Treasury shares, at cost (5’000 and nil shares at September 30, and March 31, 2018, respectively)	(316)	–
Total Landis+Gyr Group AG shareholders’ equity	**1’788’296**	**1’804’638**
Noncontrolling interests	2’700	3’383
Total shareholders’ equity	**1’790’996**	**1’808’021**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**$ 2’519’089**	**$ 2’550’681**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (unaudited)

USD in thousands except for shares	Registered ordinary shares [1]		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury shares	Total Landis+Gyr Group AG equity	Noncontrolling interests	Total shareholders' equity
Balance at March 31, 2017	**29'510'000**	**$ 309'050**	**$ 1'465'595**	**$ 9'350**	**$ (53'930)**	**$ –**	**$ 1'730'065**	**$ 2'574**	**$ 1'732'639**
Net income	-	-	-	5'072	-	-	5'072	185	5'257
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	(384)	–	(384)	(29)	(413)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	7'073	–	7'073	–	7'073
IPO recognition bonus	–	–	9'826	–	–	–	9'826	–	9'826
Balance at September 30, 2017	**29'510'000**	**$ 309'050**	**$ 1'475'421**	**$ 14'422**	**$ (47'241)**	**$ –**	**$ 1'751'652**	**$ 2'730**	**$ 1'754'382**
Balance at March 31, 2018	**29'510'000**	**$ 309'050**	**$ 1'475'421**	**$ 55'721**	**$ (35'554)**	**$ –**	**$ 1'804'638**	**$ 3'383**	**$ 1'808'021**
Net income (loss)	–	–	–	59'209	–	–	59'209	(137)	59'072
Foreign currency-translation adjustments, net of income tax expense	–	–	–	–	(11'799)	–	(11'799)	(546)	(12'345)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	4'511	–	4'511	–	4'511
Dividends paid (CHF 2.30 per share)	–	–	(68'383)	–	–	–	(68'383)	–	(68'383)
Share based compensation	–	–	556	–	–	–	556	–	556
Purchase of treasury shares	–	–	–	–	–	(436)	(436)	–	(436)
Delivery of shares	–	–	(120)	–	–	120	–	–	–
Balance at September 30, 2018	**29'510'000**	**$ 309'050**	**$ 1'407'474**	**$ 114'930**	**$ (42'842)**	**$ (316)**	**$ 1'788'296**	**$ 2'700**	**$ 1'790'996**

1 The number of shares for all periods has been restated in connection with the Reverse Stock Split. Refer to Note 2 "Shareholders' equity" for further details.

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statements of Cash Flows (unaudited)

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands	**2018**	2017
Cash flow from operating activities		
Net income (loss)	$ 59’072	$ 5’257
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	47’280	48’629
Net loss (income) from equity investments	1’701	–
Share-based compensation	556	–
Gain on divestments	(15’545)	–
IPO recognition bonus – equity component	–	6’551
Gain on disposal of property, plant and equipment	103	516
Effect of foreign currencies translation on non-operating items, net	(2’459)	2’886
Change in allowance for doubtful accounts	(484)	1’662
Deferred income tax	(1’507)	(1’654)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	(30’747)	20’253
Inventories	(19’351)	(5’310)
Trade accounts payable	52’365	(5’318)
Other assets and liabilities	(60’113)	(34’379)
Net cash provided by operating activities	**30’871**	**39’093**
Cash flow from investing activities		
Payments for property, plant and equipment	(16’525)	(19’055)
Payments for intangible assets	(326)	(46)
Proceeds from the sale of property, plant and equipment	126	558
Business acquisitions	(18’945)	–
Net cash used in investing activities	**(35’670)**	**(18’543)**
Cash flow from financing activities		
Purchase of treasury shares	(436)	–
Dividends paid	(68’383)	–
Proceeds from third party facility	18’081	215’000
Repayment of borrowings to third party facility	(2’279)	(24)
Capital contribution related to IPO recognition bonus – cash component	–	3’275
Repayment of borrowings to shareholders and related party facility	–	(215’000)
Net cash provided by (used in) financing activities	**(53’017)**	**3’251**
Net increase (decrease) in cash and cash equivalents	**(57’816)**	**23’801**
Cash and cash equivalents at beginning of period, including restricted cash	106’763	101’033
Effects of foreign exchange rate changes on cash and cash equivalents	(3’056)	580
Cash and cash equivalents at end of period, including restricted cash	**$ 45’891**	**$ 125’414**
Supplemental cash flow information		
Cash paid for income tax	$ 17’005	$ 22’296
Cash paid for interest	$ 2’619	$ 4’661

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

NOTE 1: GENERAL INFORMATION AND BASIS OF PRESENTATION

1.1 General Information

Landis+Gyr Group AG (“Landis+Gyr”), and subsidiaries (together, the “Company”) form a leading global provider of energy metering products and solutions to utilities.

The following notes relate to the Interim Condensed Consolidated Financial Statements of Landis+Gyr for each of the six months ended September 30, 2018 and September 30, 2017.

The Interim Condensed Consolidated Financial Statements have not been audited by the auditors. They were approved for publication by the Board of Directors on October 25, 2018.

Initial Public Offering

On July 12, 2017, the Company’s listing application (Securities number: 37115349; ISIN: CH0371153492; Ticker symbol: LAND) relating to an initial public offering (“IPO”) of its common stock was declared effective by the SIX Swiss Exchange. On July 21, 2017, the Company completed the IPO at a price to the public of CHF 78 per share. In connection with the IPO, the Company’s stockholders sold an aggregate of 29’510’000 shares of common stock, thereof 81’945 shares were set aside to grant and fund the IPO recognition bonus (See Note 2: Shareholders’ equity). The selling stockholders received all of the net proceeds and bore all commissions and discounts from the sale of the Company’s common stock. The Company did not receive any proceeds from the IPO.

In conjunction with the IPO, the Company incurred USD 24.2 million of costs for professional services and an IPO recognition bonus. The IPO recognition bonus amounted to USD 9.8 million, was fully funded by the selling shareholders, and consisted of shares and cash. The Company has expensed the IPO related professional fees as incurred. The IPO recognition bonus was expensed pursuant to the stock compensation guidance and recognized as increase in additional paid-in capital (See Note 2: Shareholders’ equity).

Prior to the IPO, the Company was owned by Toshiba Corporation (60%) and Innovation Network Corporation of Japan (40%).

1.2 Basis of Presentation

The unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the Unites States of America (“US GAAP”) for interim financial information and accordingly do not include all information and disclosures as required by US GAAP for complete financial statements. Therefore, such financial information should be read in conjunction with the audited Consolidated Financial Statements for the fiscal year ended March 31, 2018.

In the opinion of management, these unaudited Interim Condensed Consolidated Financial Statements reflect all adjustments necessary to fairly state the Consolidated Balance Sheets, Statements of Operations, Statements of Comprehensive Income, Cash Flows and Changes in Shareholders’ Equity for the interim periods presented. Management considers all such adjustments to be of a normal recurring nature.

All amounts are presented in United States dollars (“$” or “USD”), unless otherwise stated.

Reclassifications

As a result of the adoption of certain accounting pronouncements (see Note 1.3), certain amounts reported in the interim consolidated financial information for prior periods have been reclassified to conform to the current year’s presentation. These changes primarily relate to the reclassification of certain net periodic pension and postretirement benefits costs/credits, in the amount of USD 2.3 million, from General and administrative expenses to Non-operational pension (cost) credit and the reclassification of certain contract liabilities, in the amount of USD 3.6 million, from Trade accounts payable to Other current liabilities.

All share, per share and capital stock amounts for all periods presented have been restated to give effect to the Reverse Stock Split (see Note 2: Shareholders' Equity).

Use of estimates
The preparation of Consolidated Financial Statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the Interim Condensed Consolidated Financial Statements and accompanying notes. Actual results could differ materially from these estimates. If the estimates and assumptions used by management to the best of its knowledge at the date of the financial statements happen to differ from subsequent actual facts, the original estimates and assumptions will be adjusted in the reporting period in which the facts have changed.

1.3 Recent Accounting Pronouncements
New accounting pronouncements
In February 2016, the FASB issued ASU 2016-02, Leases that require lessees to recognize lease assets and corresponding lease liabilities on the balance sheet for all leases with terms of more than 12 months. The update, which supersedes existing lease guidance, will continue to classify leases as either finance or operating, with the classification determining the pattern of expense recognition in the income statement. Further updates were issued in 2018 to provide practical expedients for transition. This update is effective for the Company for annual and interim periods beginning April 1, 2019 and is applicable on a modified retrospective basis with various optional practical expedients. The Company is currently evaluating the impact of this update on its Consolidated Financial Statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, amending the accounting for the impairment of financial instruments, including trade receivables. The new guidance requires the use of a "current expected credit loss" model for most financial assets. Under the new model, an entity recognizes as an allowance its estimate of expected credit losses, rather than the current methodology requiring delay of recognition of credit losses until it is probable a loss has been incurred. The ASU is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The requirements of the amended guidance should be applied using a modified retrospective approach except for debt securities, which require a prospective transition approach. The Company currently intends to adopt the new standard as of April 1, 2021 and is currently in the process of evaluating the effect that the amendments will have on its Consolidated Financial Statements and related disclosures.

In February 2018, the FASB issued ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, permitting a company to reclassify the disproportionate income tax effects of the 2017 Act on items within Accumulated Other Comprehensive Income (AOCI) to retained earnings. The FASB refers to these amounts as "stranded tax effects". The ASU also requires certain new disclosures, some of which are applicable for all companies. This ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The requirements of the amended guidance should be applied on a retrospective basis to each period (or periods) in which the income tax effects of the 2017 Act related to items remaining in AOCI are recognized, or at the beginning of the period of adoption. The Company currently intends to adopt the new standard as of April 1, 2019 and is currently in the process of evaluating the effect that the amendments will have on its Consolidated Financial Statements and related disclosures.

Recently Adopted Accounting Pronouncements

As of April 1, 2018, the Company adopted a new accounting standard for recognizing revenues from contracts with customers. The new standard, which supersedes substantially all previously existing revenue recognition guidance, provides a single comprehensive model for recognizing revenues on the transfer of promised goods or services to customers in an amount that reflects the consideration that is expected to be received for those goods or services.

The Company identified insignificant differences in some multiple deliverables arrangements where the variable consideration is currently allocated to one or more but not to all deliverables, whereas, according to the new guidance, it should be allocated to all performance obligations. The impact to revenues and earnings for the six months ended September 30, 2018 was immaterial as a result of applying ASC 606. Refer to the updated Revenue Recognition accounting policy described below and Note 4: Revenue for additional disclosure regarding the Company's revenues from contracts with customers and the adoption of ASC 606.

In April 2018, the Company adopted an accounting standard update which changes how employers that sponsor defined benefit pension plans and other postretirement plans present the net periodic benefit cost in the income statement. Under this standard, the Company is required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of net periodic benefit cost are required to be presented in the income statement separately from the service cost component and outside the subtotal of income from operations. This update was applied retrospectively for the presentation requirements. For the six months ended September 30, 2017, the Company reclassified USD 2.3 million of income and presented it outside of income from operations relating to net periodic pension costs.

Effective April 1, 2018, the Company adopted ASU 2016-16, Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory (Topic 740), which removes the prohibition in Topic 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. Under ASU 2016-16, the selling entity is required to recognize a current tax expense or benefit upon transfer of the asset. Similarly, the purchasing entity is required to recognize a deferred tax asset or deferred tax liability, as well as the related deferred tax benefit or expense, upon receipt of the asset. The resulting deferred tax asset or deferred tax liability is measured by computing the difference between the tax basis of the asset in the buyer's jurisdiction and its financial reporting carrying value in the consolidated financial statements and multiplying such difference by the enacted tax rate in the buyer's jurisdiction. This update was applied with a modified retrospective transition method and it did not impact the Interim Condensed Consolidated Financial Statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The standard clarifies how certain cash receipts and cash payments, including debt prepayment or extinguishment costs, the settlement of zero coupon debt instruments, contingent consideration paid after a business combination, proceeds from insurance settlements, distributions from certain equity method investees and beneficial interests obtained in a financial asset securitization, should be presented and classified in the statement of cash flows. This update was applied as of April 1, 2018 and had no impact on the Interim Condensed Consolidated Financial Statements.

1.4 Revenue Recognition Accounting Policy
The majority of the Company's revenues consist primarily of hardware sales, but may also include the license of software, software implementation services, project management services, installation services, post-sale maintenance support, and extended or noncustomary warranties. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. In determining whether the definition of a contract has been met, the Company considers whether the arrangement creates enforceable rights and obligations, which involves evaluation of agreement terms that would allow for the customer to terminate the agreement. If the customer is able to terminate the agreement without providing further consideration to the Company, the agreement would not be considered to meet the definition of a contract.

Many of the Company's revenue arrangements involve multiple performance obligations consisting of hardware, meter reading system software, installation, and/or project management services. Separate contracts entered into with the same customer (or related parties of the customer) at or near the same time are accounted for as a single contract where one or more of the following criteria are met:
- The contracts are negotiated as a package with a single commercial objective;
- The amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
- The goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

Once the contract has been defined, the Company evaluates whether the promises in the contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment, and the decision to separate the combined or single contract into multiple performance obligations could change the amount of revenue and profit recognized in a given period. For some of our projects, the customer requires the Company to provide a significant service of integrating, customizing or modifying goods or services in the contract in which case the goods or services would be combined into a single performance obligation. It is common that the Company may promise to provide multiple distinct goods or services within a contract in which case we separate the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. If applicable, for goods or services where observable standalone sales are available, the observable standalone sales are used to determine the standalone selling price. In the absence of observable standalone sales, the Company estimates the standalone selling price using either the adjusted market assessment approach or the expected cost plus a margin approach. Approaches used to estimate the standalone selling price for a given good or service will maximize the use of observable inputs and considers several factors, including the Company's pricing practices, costs to provide a good or service, the type of good or service, and availability of other transactional data, among others.

The Company determines the estimated standalone selling prices of goods or services used in the allocation of arrangement consideration on an annual basis or more frequently if there is a significant change in the business or if the Company experiences significant variances in our transaction prices.

Many of the Company's contracts with customers include variable consideration, which can include liquidated damage provisions, rebates and volume and early payment discounts. Some of the contracts with customers contain clauses for liquidated damages related to the timing of delivery or milestone accomplishments, which could become material in an event of failure to meet the contractual deadlines. At the inception of the arrangement and on an ongoing basis, the Company evaluates the probability and magnitude of having to pay liquidated damages. The Company estimates variable consideration using the expected value method, taking into consideration contract terms, historical customer behavior and historical sales. In the case of liquidated damages, the Company also takes into consideration progress towards meeting contractual milestones, including whether milestones have not been achieved, specified rates, if applicable, stated in the contract, and the history of paying liquidated damages to the customer or similar customers. Variable consideration is included in the transaction price if, in management's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur.

In the normal course of business, the Company does not accept product returns unless the item is defective as manufactured. The Company establishes provisions for estimated returns and warranties. In addition, the Company does not typically provide customers with the right to a refund.

Hardware revenues are recognized at a point in time. Transfer of control is typically at the time of shipment, receipt by the customer, or, if applicable, upon receipt of customer acceptance provisions. The Company recognizes revenue prior to receipt of customer acceptance for hardware in cases where the customer acceptance provision is determined to be a formality. Transfer of control would not occur until receipt of customer acceptance in hardware arrangements where such provisions are subjective or where the Company does not have a history of meeting the acceptance criteria.

Perpetual software licenses are considered to be a right to use intellectual property and are recognized at a point in time. Transfer of control is considered to be at the point at which it is available to the customer to download and use or upon receipt of customer acceptance. In certain contracts, software licenses may be sold with professional services that include implementation services that include a significant service of integrating, customizing or modifying the software. In these instances, the software license is combined into a single performance obligation with the implementation services and recognized over time as the implementation services are performed or, if applicable, upon receipt of customer acceptance provisions.

Hardware and software licenses (when not combined with professional services) are typically billed when shipped and revenue recognized at a point-in-time. As a result, the timing of revenue recognition and invoicing does not have a significant impact on contract assets and liabilities.

Professional services, which include implementation, project management, installation, and consulting services are recognized over time. The Company measures progress towards satisfying these performance obligations using input methods, most commonly based on the costs incurred in relation to the total expected costs to provide the service. The Company expects this method to best depict its performance in transferring control of services promised to the customer or represents a reasonable proxy for measuring progress. The estimate of expected costs to provide services requires judgment. Cost estimates take into consideration past history and the specific scope requested by the customer and are updated quarterly. The Company may also offer professional services on a stand-ready basis over a specified period of time, in which case revenue would be recognized ratably over the term. Invoicing of these services is commensurate with performance and occurs on a monthly basis. As such, these services do not have a significant impact on contract assets and contract liabilities. Services, including professional services, are commonly billed on a monthly basis in arrears and typically result in an unbilled receivable, which is not considered a contract asset as the Company's right to consideration is unconditional.

Certain revenue arrangements include extended or noncustomary warranty provisions that cover all or a portion of a customer's replacement or repair costs beyond the standard or customary warranty period. Whether or not the extended warranty is separately priced in the arrangement, such warranties are considered to be a separate good or service, and a portion of the transaction price is allocated to this extended warranty performance obligation. This revenue is recognized, ratably over the extended warranty coverage period.

Hardware and software post-sale maintenance support fees are recognized over time, ratably over the life of the related service contract. Shipping and handling costs and incidental expenses billed to customers are recognized as revenue, with the associated cost charged to cost of revenues. The Company recognizes sales, use, and value added taxes billed to customers on a net basis.

Payment terms with customers can vary by customer; however, amounts billed are typically payable within 30 to 90 days, depending on the destination country.

The Company incurs certain incremental costs to obtain contracts with customers, primarily in the form of sales commissions. Where the amortization period is one year or less, the Company has elected to apply the practical expedient and recognize the related commissions as an expense when incurred.

1.5 Share-based Compensation Accounting Policy

In April 2018, the Company introduced a new share-based long-term incentive plan ("LTIP") providing the members of the Group Executive Management and other eligible key managers with a possibility to receive shares in the Company, subject to certain conditions. The LTIP consists of two components that are weighted equally: (i) a component with a market condition, that is based on the total shareholders' return ("TSR") measured over three years relative to the Swiss Performance Index ("SPI"), summarized under the heading Performance Share Plan PSP-TSR, and (ii) a component with a performance condition that is based on the Company's fully diluted earnings per share ("EPS") performance, summarized under the heading Performance Share Plan PSP-EPS.

Share-based compensation expense is recognized and measured based on the guidance codified in the Compensation – Stock Compensation Topic of FASB ASC ("ASC 718").

The fair value of performance stock units ("PSUs") granted under the PSP-TSR is estimated using the Monte Carlo simulation methodology. The Monte Carlo simulation input assumptions are determined based on available internal and external data sources. The risk-free rate is interpolated from country-specific government sovereign debt yields derived from Bloomberg as of the valuation date matching the measurement period. The expected volatility of the share price returns is based on the historic volatility of daily share price returns of the Company, derived from Bloomberg and measured over a historical period matching the performance period of the awards. The dividend yield is based on the expected dividend yield over the expected term of the awards granted.

The fair value of performance stock units granted under the PSP-EPS is determined based on the closing share price of the Company's share at the day preceding the grant date less the present value of expected dividends.

The Company recognizes stock-based compensation costs considering estimated future forfeiture rates. The latter are reviewed annually or whenever indicators are present that actual forfeitures may differ materially from previously established estimates.

Total compensation costs for the PSP-EPS, and for the PSP-TSR, is recognized on a straight-line basis over the requisite service period for the entire award (See Note 11: Share-based compensation).

NOTE 2: SHAREHOLDERS' EQUITY

Treasury shares
From time to time, the Company may repurchase shares of its common stock under programs authorized by the Board of Directors. Share repurchases are made in the open market and in accordance with applicable securities laws. Shares repurchased are displayed separately as treasury shares in the Interim Condensed Consolidated Financial Statements.

On June 27, 2018, the Company's Board of Directors authorized the repurchase of approximately 45'000 shares of the Company's common stock over a 36-month period.

In the six months ended September 30, 2018, the Company purchased an aggregate of 6'848 of its own shares on the open market resulting in an increase in treasury stock of USD 0.4 million. In addition, the Company distributed 1'848 shares, out of the treasury stock, during the six-month period ended September 30, 2018, as a compensation-in-kind to the members of the Board of Directors, in line with the Board of Directors Remuneration Policy.

Dividend
At the Annual General Meeting of Shareholders on June 28, 2018, shareholders approved the proposal of the Board of Directors to distribute 2.30 Swiss francs per share to shareholders. The declared dividend amounted to CHF 67.9 million (USD 68.4 million at the exchange rate prevailing at June 28, 2018) and was paid in July 2018.

Reverse Stock Split
On July 11, 2017, in connection with the mentioned Initial Public Offering, the Company's Shareholders approved an amendment to the Company's Certificate of Incorporation to effect a 1-for-10 reverse stock split of the Company's shares of common stock effective on July 12, 2017 (the "Reverse Stock Split").

As result of the Reverse Stock Split, every 10 shares of the Company's then outstanding common stock was combined and automatically converted into one share of the Company's common stock, par value CHF 10 per share. Proportionate voting rights and other rights of common stockholders were not affected by the Reverse Stock Split, other than as a result of the rounding of fractional shares, as no fractional shares were issued in connection with the Reverse Stock Split. All share, per share and capital stock amounts for all periods presented have been restated to give effect to the Reverse Stock Split.

At September 30, 2018 and March 31, 2018, the capital structure reflected 29'505'000 and 29'510'000, respectively, authorized, issued, and outstanding registered ordinary shares with restricted transferability. The restricted transferability is related to the fact that the board of directors can reject a shareholder not disclosing the beneficial owner.

Registered ordinary shares carry one vote per share, as well as the right to dividends.

Conditional share capital
The share capital of the Company may be increased by up to CHF 4'500'000 by issuing up to 450'000 fully paid up registered shares with a nominal value of CHF 10 each, upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. This conditional share capital has been approved and is available for use. As of September 30, 2018 and March 31, 2018 no shares were issued from this conditional share capital.

IPO Recognition Bonus

In relation to the mentioned IPO, the Chairman and some members of senior management were granted a bonus, in recognition of their efforts and to provide them with an equity stake in the Company to support its long-term performance (the "Recognition Bonus"). The Recognition Bonus comprised a share and a cash portion, both funded by the former Shareholders. The share portion consisted of 81'945 fully vested shares of common stock which were set aside prior to the IPO. Because the award is fully vested and includes no future service requirements, the Company recognized a stock based compensation charge of USD 6.6 million and personnel expense of USD 3.3 million for the six-month period ended September 30, 2017. Both amounts were included within General and administrative expenses in the Consolidated Statements of Operations and recognized as an increase in additional paid-in capital in the Consolidated Statements of Changes in Shareholders' Equity, because the award was funded by the former Shareholders.

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive loss (AOCL) of Landis+Gyr Group AG consist of (in thousands):

	SEPTEMBER 30,	
USD in thousands	**2018**	2017
Foreign currency translation adjustments, net of tax	$ (33'043)	$ (27'369)
Pension plan benefits liability adjustments, net of taxes of $1'930 and $2'271 as of September 30, 2018 and September 30, 2017, respectively	(9'799)	(19'872)
Accumulated other comprehensive income (loss)	**$ (42'842)**	**$ (47'241)**

The following tables present the reclassification adjustments in accumulated other comprehensive income by component:

USD in thousands	**Defined benefit pension items**	**Foreign currency items**	**Total**
Beginning balance, April 1, 2018	**$ (14'310)**	**$ (21'244)**	**$ (35'554)**
Other comprehensive income (loss) before reclassifications	4'921	(11'799)	(6'878)
Amounts reclassified from accumulated other comprehensive income	(410)	–	(410)
Net current-period other comprehensive income (loss)	4'511	(11'799)	(7'288)
Ending balance, September 30, 2018	**$ (9'799)**	**$ (33'043)**	**$ (42'842)**

USD in thousands	**Defined benefit pension items**	**Foreign currency items**	**Total**
Beginning balance, April 1, 2017	**$ (26'945)**	**$ (26'985)**	**$ (53'930)**
Other comprehensive income (loss) before reclassifications	7'294	(384)	6'910
Amounts reclassified from accumulated other comprehensive income	(221)	–	(221)
Net current-period other comprehensive income (loss)	7'073	(384)	6'689
Ending balance, September 30, 2017	**$ (19'872)**	**$ (27'369)**	**$ (47'241)**

The pension plan benefits liability adjustment, net of taxes, in the AOCL changed by USD 4.5 million and USD 7.1 million in the six-month periods ended September 30, 2018 and September 30, 2017, respectively. These changes represent the movement of the current year activity including the reclassified amounts from accumulated other comprehensive income to net income:

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands	**2018**	2017
Amortization of actuarial loss/(gain)	$ 106	$ 301
Amortization of prior service cost	(516)	(522)
Amounts reclassified from other comprehensive income to net income[1]	**(410)**	**(221)**
Net actuarial (loss)/gain	5'139	7'323
Total before tax	**4'729**	**7'102**
Tax (expense) or benefit	(218)	(29)
Total other comprehensive income (loss) from defined benefit pension plans (net of tax) for the six month period ended September 30,	**$ 4'511**	**$ 7'073**

1 These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see Note 10: Pension and Post-retirement benefit plans for additional details).

NOTE 3: EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the period, assuming that all potentially dilutive securities were exercised, if dilutive. Potentially dilutive securities comprise shares granted subject to certain conditions under the Company's share-based payment arrangements (see Note 11: Share-based compensation).

Treasury shares are not considered outstanding for share count purposes and they were excluded from the average number of ordinary shares outstanding for the purpose of calculating the basic and diluted net income per share.

The following table sets forth the computation of basic and diluted earnings per share (EPS):

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands, except per share data	**2018**	2017
Basic earnings per share		
Net income attributable to Landis+Gyr Group AG Shareholders	$59'209	$5'072
Weighted-average number of shares used in computing earnings per share	**29'507'940**	**29'510'000**
Basic earnings per share attributable to Landis+Gyr Group AG shareholders	**$2.01**	**$0.17**
Diluted earnings per share		
Net income attributable to Landis+Gyr Group AG Shareholders	$59'209	$5'072
Weighted-average number of shares used in computing earnings per share	29'507'940	29'510'000
Effect of dilutive securities	–	–
Adjusted weighted-average number of shares outstanding	**29'507'940**	**29'510'000**
Diluted earnings per share attributable to Landis+Gyr Group AG shareholders	**$2.01**	**$0.17**

The Company introduced a new share-based long-term incentive plan, effective on April 1, 2018 (see Note 11: Share-based compensation for more details). For the six months ended September 30, 2018, the effect of dilutive securities from the new share-based long-term incentive plan is nil and no incremental potentially dilutive securities were included in the computation of the adjusted weighted-average number of share outstanding, because of the applicable accounting standards, which are different compared to the guidance applicable for the share-based compensation expense recognition model.

There were no potentially dilutive securities for the six months ended September 30, 2017.

NOTE 4: REVENUE

The following table provides information about contract liabilities with customers:

USD in thousands	September 30, 2018	March 31, 2018
Advances from customers	$ 4’169	$ 3’611
Deferred revenue	56’159	60’517
Contract liabilities	**$ 60’328**	**$ 64’128**

Contract liabilities primarily relate to advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized.

Of the contract liabilities as of March 31, 2018, the Company recognized revenue of USD 21.7 million during the six-month period ended September 30, 2018.

Contract liabilities are included within other current liabilities and other non-current liabilities in the Interim Condensed Consolidated Balance Sheets.

Contract assets as of September 30, 2018 and March 31, 2018, were not material for disclosure.

Transaction price allocated to the remaining performance obligations

Total transaction price allocated to remaining performance obligations represent committed but undelivered products and services for contracts and purchase orders at period end. Twelve-month remaining performance obligations represent the portion of total transaction price allocated to remaining performance obligations that we estimate will be recognized as revenue over the next 12 months. Total transaction price allocated to remaining performance obligations is not a complete measure of our future revenues as we also receive orders where the customer may have legal termination rights but is not likely to exercise such rights.

Total transaction price allocated to remaining performance obligations related to contracts is approximately USD 828.3 million for the next twelve months and approximately USD 1’519.6 million for periods longer than 12 months. The total remaining performance obligations is comprised of product and services components. The services component relates primarily to maintenance agreements for which customers pay a full year’s maintenance in advance, and services revenue is generally recognized over the service period. Total transaction price allocated to remaining performance obligations also includes our extended warranty contracts, for which revenue is recognized over the warranty period, and hardware, which is recognized as units are delivered. The estimate of when remaining performance obligations will be recognized requires significant judgment.

Cost to obtain a contract and cost to fulfill a contract with a customer
Cost to obtain a contract and costs to fulfill a contract are capitalized and amortized using a systematic rational approach to align with the transfer of control of underlying contracts with customers. Amounts are not material for disclosure.

Disaggregation of revenue
Refer to Note 15: Segment Information for disclosure regarding the disaggregation of revenue into categories which depict how revenue are affected by economic factors. Specifically, our operating segments are disclosed.

NOTE 5: ACQUISITIONS AND DIVESTMENTS

On May 31, 2018, the Company entered into an agreement with Pacific Equity Partners ("PEP"), an Australian private equity firm, to establish IntelliHUB Holdings Pty Ltd, a joint venture for the acquisition of Acumen, a metering service provider, formerly owned by Origin Energy Limited, an Australian energy retailer.

Under the agreement, the Company contributed all the 100 outstanding shares of its wholly owned subsidiary IntelliHUB Operations Pty Ltd ("IntelliHUB"), with net assets of USD 1.0 million previously included in the Asia Pacific reportable unit, and USD 18.9 million in cash, in exchange for 57.5 million shares, representing a 20.3% equity interest in the newly established entity.

On June 19, 2018, the date the transaction was completed, the Company derecognized IntelliHUB's assets and liabilities, as well as USD 7.5 million of allocated goodwill, representing the portion of the Asia Pacific reporting unit's goodwill being attributable to IntelliHUB based on relative fair values. The Company recorded USD 15.5 million gain on divestments, which is included within Other income (expense), net in the Interim Condensed Consolidated Statement of Operations.

Upon divestment of IntelliHUB, the Company has entered into certain commercial agreements with the newly incorporated joint venture, for the sale of hardware and software licenses.

NOTE 6: INVESTMENTS IN AFFILIATED COMPANIES

Each reporting period, the Company reviews all equity method investments to determine whether a significant event or change in circumstance has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, the Company evaluates the fair value compared to the carrying amount of the investment. Management's assessment of fair value is based on valuation methodologies using discounted cash flows, EBITDA and revenue multiples, as appropriate.

In the event the fair value of an investment declines below the carrying amount, the Company determines if the decline in fair value is other than temporary. If the Company determines the decline is other than temporary, an impairment charge is recorded. The Company's assessment as to the nature of a decline in fair value is based on, among other things, the length of time and the extent to which the market value has been less than our cost basis, the financial condition and near-term prospects of the entity, and the Company's intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value.

Since June 19, 2018, and resulting from the acquisition described in Note 5: Acquisitions and Divestments, the Company has a 20.3% equity interest in Spark Holdco Pty Ltd ("Spark"). Spark, together with its subsidiaries, provides energy data management services in Australia. As of September 30, 2018, Spark's carrying amount was USD 39.9 million. The Company included this amount within Other long-term assets on the Interim Condensed Consolidated Balance Sheets.

The Company has elected to record its share of earnings from Spark on a three-month lag. For the six months ended September 30, 2018, the Company's share of loss from Spark was USD 1.7 million, representing the investee's operations through June 30, 2018, including certain initial transaction costs incurred as part of the acquisition of Acumen. The Company included this amount within Net loss from equity investments in the Interim Condensed Consolidated Statements of Operations.

NOTE 7: LOANS PAYABLE

Credit Facility

On March 1, 2018, Landis+Gyr AG entered into an agreement (the "Credit Facility Agreement") for a USD 240 million revolving credit facility, provided by a bank syndicate led by UBS Switzerland AG. The purpose of the loan is to replace the former UBS Credit Facility repaid on March 1, 2018 and to fund the Company's working capital requirements.

The agreement has a maturity of five years and it provides that the Company, any time between 120 and 60 calendar days before the first and second anniversary of the commencement of the loan, may request two extensions of the facility, for an additional period of one year each.

Under the facility, the Company may borrow loans in U.S. Dollar, Euro, Swiss Franc and British Pound, with consecutive interest periods of one, three, six, twelve months, or other interest periods and currencies subject to the receipt of required approvals.

There may be a maximum of ten simultaneously outstanding loans with a minimum amount of USD 10 million each, or its approximate equivalent in other currencies. As of September 30, 2018 and March 31, 2018, the Company has drawn loans for a total amount of USD 143.1 million and USD 130.0 million, respectively.

As of September 30, 2018 and March 31, 2018, the credit facility's unused portion was USD 96.9 million and USD 110.0 million, respectively.

In general, borrowings under the revolving credit facility bear interest at a rate based on the London Interbank Offered Rate (LIBOR) in the case of borrowings in Swiss Franc, U.S. Dollar or British Pound, or on the Euro Interbank Offered Rate (EURIBOR) in case of borrowings in Euro, plus a margin ranging from 0.6% to 1.30% depending on the Net Senior Debt/EBITDA ratio calculated every half-year at March 31 and September 30.

The Company incurs a quarterly commitment fee equal to 35% of the applicable margin of the unused portion of the revolving credit facility, as well as an annual agency fee in the amount of less than USD 0.1 million. In addition, the Company paid USD 0.8 million as an arrangement fee which was capitalized and recognized within Other long-term assets in the Company's Consolidated Balance Sheet. The Company is amortizing the arrangement fee over the facility's term.

The Credit Facility Agreement contains affirmative and negative covenants customarily found in loan agreements for similar transactions, subject to certain agreed exceptions, for the borrower and the Group, including with respect to, among other actions, maintaining the Group's business operations and assets, carrying out transactions with third parties at market conditions, ranking all obligations at least pari passu with present or future payment obligations, complying with laws and reporting obligations, and preparation of financial statements in accordance with US GAAP. The Credit Facility Agreement restricts, among other actions, the following, subject to certain exceptions: entering into certain acquisitions, mergers and joint ventures, carrying out material changes to the Group's activities or structure, changing its accounting standards, incurring further indebtedness, granting security for indebtedness, granting credit to third parties, and carrying out certain disposals of assets. The Credit Facility Agreement also contains a financial covenant requiring that the Group's Net Senior Debt (as defined therein) divided by EBITDA be less than 2.50x and its EBITDA be greater than zero, on a semi-annual rolling basis in respect of the most recent two semesters of the Group.

The Credit Facility Agreement contains events of default, which include, among others, payment defaults, breach of other obligations under the Agreement, cross-default, insolvency, material adverse change, or a material reservation of the auditors. Indebtedness under the Credit Facility Loan may be voluntarily prepaid in whole or in part, subject to notice, minimum amounts and break costs.

NOTE 8: DERIVATIVE FINANCIAL INSTRUMENTS

The Company is exposed to certain currency risks arising from its global operating, financing and investing activities. The Company uses derivative instruments to reduce and manage the economic impact of these exposures. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) arising from transactions denominated in foreign currencies. Derivatives are not used for trading or speculative purposes.

All derivative instruments are recorded on the Consolidated Balance Sheet at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The fair value of derivative instruments is presented on a gross basis, even when the derivative instruments are subject to master netting arrangements.

The gross notional amounts of outstanding foreign exchange contracts as of September 30, 2018 and March 31, 2018 were USD 21.7 million and USD 38.4 million, respectively.

For the six-month periods ended September 30, 2018 and 2017, the Company recognized losses from changes in the fair value of forward foreign exchange contracts of USD 1.6 million and nil, respectively. These amounts are included within Cost of revenue in the Interim Condensed Consolidated Statements of Operations.

The fair values of the outstanding derivatives, included in the Interim Condensed Consolidated Balance Sheet as of September 30, 2018 were USD 0.8 million, recorded within Other current liabilities, and USD 0.8 million, recorded within Other non-current liabilities.

The fair values of the outstanding derivatives, included in the Consolidated Balance Sheet as of March 31, 2018 were less than USD 0.1 million, recorded within Other current liabilities, and less than USD 0.1 million, recorded within Other non-current liabilities.

NOTE 9: FAIR VALUE

The Company measures financial assets and liabilities at fair value. Foreign currency exchange contracts are measured at fair value on a recurring basis by means of various valuation techniques and models and the inputs used are classified based on the hierarchy outlined within the Company's significant accounting policies.

In addition, certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

The valuation techniques and models utilized for measuring financial assets and liabilities are reviewed and validated at least annually.

Recurring Fair Value Measurements
At September 30, 2018 and March 31, 2018, for each of the fair value hierarchy levels, the following assets and liabilities were measured at fair value on a recurring basis:

September 30, 2018 USD in thousands	Total	Level 1	Level 2	Level 3
Liabilities				
Foreign currency forward contracts	$1’636	–	$1’636	–
Total	**$ 1’636**	**–**	**$ 1’636**	**–**

March 31, 2018 USD in thousands	Total	Level 1	Level 2	Level 3
Liabilities				
Foreign currency forward contracts	$163	–	$163	–
Total	**$ 163**	**–**	**$ 163**	**–**

The fair value of the foreign currency forward exchange contracts has been determined by assuming that the unit of account is an individual derivative transaction and that derivative could be sold or transferred on a stand-alone basis. The foreign currency forward exchange contracts are classified as Level 2. The key inputs used in valuing derivatives include foreign exchange spot and forward rates, all of which are available in an observable market. The fair value does not reflect subsequent changes in the economy, interest and tax rates and other variables that may affect the determination of fair value.

As of September 30, 2018 and March 31, 2018, the Company had no asset or liability measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

Financial instruments carried on a cost basis
The carrying amounts of cash and loans payable approximate their fair values.

NOTE 10: PENSION AND POST RETIREMENT BENEFIT PLANS

Net periodic pension benefit costs for the Company’s defined benefit plans include the following components:

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands	2018	2017
Service cost	$ 2’510	$ 3’636
Operational pension cost	**2’510**	**3’636**
Interest cost	1’551	1’623
Termination benefits	206	–
Expected return on plan assets	(3’427)	(3’676)
Amortization of prior service costs	(516)	(522)
Amortization of actuarial loss (gain)	106	301
Non-operational pension cost (credit)	**(2’080)**	**(2’274)**
Net periodic benefit cost	**$ 430**	**$ 1’362**

Employer contributions for the six-month periods ended September 30, 2018 and 2017 were USD 3.5 million and USD 3.3 million, respectively.

NOTE 11: SHARE-BASED COMPENSATION

Long-term incentive plan
In April 2018, the Company introduced a new share-based long-term incentive plan ("LTIP") providing the members of the Group Executive Management and other eligible key managers with a possibility to receive shares in the Company, subject to certain conditions.

Each new award under the LTIP is a contingent entitlement (Performance Share Unit or "PSU") to receive shares in the Company, provided certain performance targets are achieved during the three-year performance period. In case the performance does not reach certain pre-determined thresholds after three years, no shares of the Company will vest under the LTIP. The LTIP consists of two components that are weighted equally: (i) a component with a market condition, that is based on the total shareholders' return ("TSR") measured over three years relative to the Swiss Performance Index ("SPI"), summarized under heading PSP-TSR, and (ii) a component with a performance condition that is based on the Company's fully diluted earnings per share ("EPS") performance, summarized under the heading PSP-EPS.

The following table summarizes the number of outstanding nonvested share equivalents allocated to each component of the LTIP as of September 30 and March 31, 2018:

Maximum outstanding nonvested share equivalents under the LTIP	September 30, 2018	March 31, 2018
Maximum share equivalents under the PSP-TSR	51’064	–
Maximum share equivalents under the PSP-EPS	51’064	–
Total maximum outstanding nonvested share equivalents under the LTIP	**102’128**	**–**
Exercisable	–	–

The number of share equivalents represents the maximum number of shares that can potentially vest and be distributed to employees if the Company will achieve the highest vesting scenario for each component.

Total compensation costs recognized in the Interim Condensed Consolidated Statement of Operations with respect to the LTIP were USD 0.4 million for the six-month period ending on September 30, 2018.

Performance Share Plan with a Market Condition (PSP-TSR Plan)
The Company allocates annually PSUs of its publicly traded shares to eligible employees, who are employed with the Company at the grant date. These awards are subject to a TSR market condition, which compares the Company's TSR measured over three years relative to the performance of the SPI. The relative TSR condition is calculated considering not only the variations of the closing price over the three-year but also the dividends distributed in the same period, assuming that those dividends are reinvested at the time of distribution in the shares of the Company.

PSUs granted under the PSP-TSR component will cliff-vest and be converted into the Company's shares in a range of 0% to 200% on the third anniversary of the grant date. None of the PSP-TSR awards will vest if Landis+Gyr's absolute TSR attributable to the relevant three-year performance period is negative, regardless of the Company's performance relative to the SPI.

The following table summarizes the activities under the PSP-TSR component for the six-month period ended on September 30, 2018:

TSR COMPONENT

	SIX MONTHS ENDED SEPTEMBER 30, 2018			
	Share equivalents		PSP-TSR	
	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)	Number of awards	Weighted-average grant-date fair value per award (Swiss francs)
Nonvested at April 1, 2018	–		–	
Granted	53’485	56.77	26’743	113.54
Vested	–		–	
Forfeited	(2’421)	56.77	(1’211)	113.54
Nonvested at September 30, 2018	**51’064**	**56.77**	**25’532**	**113.54**
Exercisable at September 30, 2018	–	–	–	–

The share equivalents reflect the maximum number of shares which can potentially be issued to employees as a result of achieving the highest vesting scenario for these awards. The PSP-TSR columns show the number of awards, which were allocated to the eligible employees on the grant date. The weighted average grant-date fair values per award in the last column were calculated with reference to the maximum number of shares conditionally granted, multiplied by their corresponding weighted average grant-date fair value and divided by the number of awards.

The Company recorded share-based compensation expense for the PSP-TSR Plan of USD 0.2 million for the six months ended September 30, 2018, which is included within General and administrative expense in the Interim Condensed Consolidated Statements of Operations. As of September 30, 2018, total unrecognized compensation costs related to nonvested PSP-TSR awards amount to USD 1.0 million. These costs are expected to be recognized over a weighted-average period of 2.5 years.

Equity-settled awards are recorded in the “Additional paid-in capital” component of shareholders’ equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-TSR awards are subject to a performance condition, which based on the guidance in ASC 718 is not reflected in the grant-date fair value. The actual number of PSUs that will vest can range from 0% to 200% of the grant, depending upon actual Company performance below or above the target level. The Company estimates performance in relation to the established target when determining the projected number of PSUs that will vest and calculating the compensation cost related to these awards. If it is not probable that the performance target for the EPS component will be achieved, then compensation expense is nil.

The weighted-average exercise price of PSP-TSR awards is zero.

The following assumptions have been applied in the valuation model:

	Six months ended September 30, 2018
Expected term	3 years
Risk free rate	(0.483%)
Expected volatility	20.13%
Expected dividend yield	3%

Performance Share Plan with an Earnings per Share Condition (PSP-EPS Plan)
The Company allocates annually PSUs of its publicly traded shares to eligible employees, who are employed with the Company at the grant date. These awards are subject to a predefined cumulative dilutive earnings per share performance condition, which has to be met over a measurement period of three years. The EPS condition is set based on an outside-in view, taking into account growth expectations, risk profile, investment levels and profitability levels.

PSUs granted under the PSP-EPS Plan will cliff-vest and be converted into the Company's shares in a range of 0% to 200% on the third anniversary of the grant date, if the performance conditions are met. None of the PSP-EPS awards will vest if a minimum cumulative target on dilutive EPS has not been achieved over the measurement period.

The following table summarizes the activities under the PSP-EPS Plan for the six-month period ended on September 30, 2018:

EPS COMPONENT

	SIX MONTHS ENDED SEPTEMBER 30, 2018			
	Share equivalents		PSP-EPS	
	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)	Number of awards	Weighted-average grant-date fair value per award (Swiss francs)
Nonvested at April 1, 2018	–		–	
Granted	53’485	73.55	26’743	147.10
Vested	–		–	
Forfeited	(2’421)	73.55	(1’211)	147.10
Nonvested at September 30, 2018	**51’064**	**73.55**	**25’532**	**147.10**
Exercisable at September 30, 2018	–	–	–	–

The share equivalents reflect the maximum number of shares which can potentially be issued to employees as a result of achieving the highest vesting scenario for these awards. The PSP-EPS columns show the number of awards, which were allocated to the eligible employees on the grant date. The weighted average grant-date fair values per award in the last column were calculated with reference to the maximum number of shares conditionally granted, multiplied by their corresponding weighted average grant-date fair value and divided by the number of awards.

The Company recorded stock-based compensation expense for the PSP-EPS Plan of USD 0.2 million for the six months ended September 30, 2018, which is included within General and administrative expense in the Interim Condensed Consolidated Statements of Operations. As of September 30, 2018, total unrecognized compensation costs related to nonvested PSP-EPS awards amount to USD 1.1 million. These costs are expected to be recognized over a weighted-average period of 2.5 years.

Equity-settled awards are recorded in the “Additional paid-in capital” component of Shareholders’ equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-EPS awards are subject to a performance condition, which based on the guidance in ASC 718 is not reflected in the grant-date fair value. The actual number of PSUs that will vest can range from 0% to 200% of the grant, depending upon actual Company performance below or above the target level. The Company estimates performance in relation to the established target when determining the projected number of PSUs that will vest and calculating the compensation cost related to these awards. If it is not probable that the performance target for the EPS component will be achieved, then compensation expense is nil.

The weighted-average exercise price of PSP-EPS is zero.

The fair value of performance stock units granted under the PSP-EPS Plan is determined based on the closing price of the Company's shares at the day preceding the grant date less the present value of expected dividends.

Other share-based compensation
Starting from the annual term commenced with the 2018 Annual General Meeting (June 28, 2018), the remuneration of the members of the Company's Board of Directors is paid 65% in cash and 35% in Company's shares, which are blocked for sale for a period of three years.

In the six months ended September 30, 2018, the Company allotted 1'848 shares, out of the treasury stock, and recorded USD 0.1 million expense which is included within General and administrative expense in the Interim Condensed Consolidated Statements of Operations.

NOTE 12: INCOME TAXES

Our tax provision as a percentage of income before tax typically differs from the statutory rate of 7.83%, and may vary from period to period, due to fluctuations in the forecast mix of earnings in domestic and international jurisdictions, new or revised tax legislation and accounting pronouncements, tax credits, state income taxes, adjustments to valuation allowances, and uncertain tax positions, among other items.

Income taxes for the six-month period ended September 30, 2018 were provided at a rate of 23.9%.

Income taxes for the six-month period ended September 30, 2017 were provided at a rate of 589.9%, including USD 10.6 million benefit from the change in unrecognized tax benefits related to uncertain tax positions whose likelihood was reassessed in connection with the IPO.

NOTE 13: COMMITMENTS AND CONTINGENCIES

The Company is obligated under capital leases covering certain machinery and equipment that will expire at various dates during the next three years. The gross amount of property, plant and equipment and related accumulated amortization recorded under capital leases were as follows:

USD in thousands	September 30, 2018	March 31, 2018
Machinery and equipment	$ 5'272	$ 5'277
Less: accumulated amortization	(4'245)	(4'335)
Carrying amount	**$ 1'027**	**$ 942**

Amortization of assets held under capital leases is included within depreciation expenses.

The Company is also party to several noncancelable operating leases, primarily for office space and company vehicles, that expire over the next five years. These leases generally contain renewal options for periods ranging from one to five years.

Minimum rent payments under operating leases are recognized on a straight-line basis over the term of the lease including any periods of free rent. Rental expense for operating leases for the six-month periods ended September 30, 2018 and September 30, 2017 was USD 13.3 million and USD 12.0 million, respectively.

Guarantees

The following table provides quantitative data regarding the Company's third-party guarantees. The maximum potential payments represent a "worst-case scenario", and do not reflect management's expected outcomes.

Maximum potential payments (USD in million)	September 30, 2018
Performance guarantees obtained from third parties	$ 57.2
Financial guarantees issued in connection with financing activities	356.3
Financial guarantees issued in connection with lease agreements	0.9
Total	**$ 414.4**

The Company is often required to obtain bank guarantees, bid bonds, or performance bonds in support of its obligations for customer tenders and contracts. These guarantees or bonds typically provide a guarantee to the customer for future performance, which usually covers the delivery phase of a contract and may, on occasion, cover the warranty phase. As of September 30, 2018, the Company had total outstanding performance bonds and bank guarantees of USD 57.2 million. In the event any such bank guarantee or performance bond is called, the Company would be obligated to reimburse the issuer of the guarantee or bond; however, the Company has no reason to expect that any outstanding guarantee or bond will be called.

In addition, the Company has entered into guarantees that provide financial assurances to certain third parties related to the outstanding lines of credit or to leasing arrangements, predominantly for office leases. The total amount was USD 357.2 million as of September 30, 2018.

Furthermore, the Company is party to various guarantees whereby the Company has assured the performance of its wholly owned subsidiaries' products or services according to the terms of specific contracts. Such guarantees may include guarantees that a project will be completed within a specified time. If the subsidiary were to fail to fulfil its obligations under the contract, then the Company could be held responsible for the other party's damages resulting from such failure. Because the Company's liability under the guarantees typically matches the subsidiaries' liability under the primary contracts, such guarantees generally do not limit the guarantor's total potential liability where the liability results, for example, from personal injury or death or from intellectual property infringement. Therefore, it is not possible to specify the maximum potential amount of future payments that could be made under these or similar agreements. However, the Company has no reason to believe that any of the outstanding parent guarantees will ever be exercised, and the Company has not had to make payments against any such parent guarantees in the past.

Legal proceedings

We are subject to various legal proceedings and claims of which the outcomes are subject to significant uncertainty. Our policy is to assess the likelihood of any adverse judgments or outcomes related to legal matters, as well as ranges of probable losses. A determination of the amount of the liability required, if any, for these contingencies is made after an analysis of each known issue. A liability is recognized and charged to operating expense when we determine that a loss is probable and the amount can be reasonably estimated.

In August 2015, Energisa SA and a number of related plaintiffs filed two related lawsuits in Brazil, alleging that our electric meters were excessively vulnerable to fraud. The initial petitions requested Landis+Gyr to provide new firmware to the plaintiffs and to reimburse their cost of installation in meters supplied with this firmware. A technical expert report has been completed and the cases have been consolidated. The case is in the pre-trial stage.

On October 5, 2015, the Romanian Competition Council (“RCC”) launched an ex officio investigation against Landis+Gyr together with several of its competitors on the alleged infringement of certain provisions of Romanian competition law in connection with auctions on the market of electricity meters and connected equipment. In response we immediately engaged external experts to conduct an extensive internal forensic investigation that did not reveal any violation of competition law.

Additionally, Landis+Gyr provided the Council evidence demonstrating that it had not engaged in any of the alleged anti-competitive conduct. Landis+Gyr is not materially active in the Romanian metering market nor was it materially active during the period under investigation. On January 4, 2018, the Plenum of the Competition Council issued its preliminary decision against Landis+Gyr and five other companies and imposed a fine of RON 27.4 million (or USD 7.1 million, converted at the exchange rate as of March 31, 2018). The full written decision was received on April 30, 2018. Landis+Gyr has appealed the decision.

In addition to the cases listed above, Landis+Gyr and its subsidiaries are parties to various employment-related and administrative proceedings in jurisdictions where we do business. None of the proceedings are individually material to Landis+Gyr, and we believe that we have made adequate provision such that the ultimate disposition of the proceedings will not materially affect our business or financial condition.

In the normal course of business, the Company and its subsidiaries are parties to various legal claims, actions, and complaints. It is not possible to predict with certainty whether or not the Company and its subsidiaries will ultimately be successful in any of these legal matters, or if not, what the impact might be. However, the Company’s management does not expect that the results of any of these legal proceedings will have a material adverse effect on the Company’s results of operations, financial position or cash flows.

Indemnification

We generally provide an indemnification related to the infringement of any patent, copyright, trademark, or other intellectual property right on software or equipment within our customer contracts. This indemnification typically covers damages and related costs, including attorney’s fees with respect to an indemnified claim, provided that (a) the customer promptly notifies us in writing of the claim and (b) we control the defense and all related settlement negotiations. We may also provide an indemnification to our customers for third party claims resulting from damages caused by the negligence or wilful misconduct of our employees/agents under certain contracts. These indemnification obligations typically do not have liability caps. It is not possible to predict the maximum potential amount of future payments under these or similar agreements.

Warranty

A summary of the warranty provision account activity is as follows:

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands	**2018**	**2017**
Beginning balance, April 1	$ 73’427	$ 51’734
New product warranties	3’225	42’981
Other changes/adjustments to warranties	(4’517)	(6’118)
Claims activity	(20’609)	(10’408)
Effect of changes in exchange rates	(1’660)	1’717
Ending balance, September 30,	**$49’866**	**$79’906**
Less: current portion of warranty	(33’306)	(43’991)
Long-term warranty	$ 16’560	$ 35’915

Claims activity for the six-month period ended September 30, 2018 include warranty payments of USD 16.1 million due to legacy component issues in the Americas segment.

New product warranties for the six-month period ended September 30, 2017 include warranty accruals of USD 40.9 million, due to the mentioned legacy component issues in the Americas segment.

NOTE 14: RESTRUCTURING CHARGES

The Company continually reviews its business, manages costs and aligns resources with market demand. As a result, the Company has taken several actions to reduce fixed costs, eliminate redundancies, strengthen operational focus, and better position itself to respond to market pressures or unfavorable economic conditions.

During the six-month periods ended September 30, 2018, the Company continued its cost reduction effort aimed at reducing costs and improving operating performance. In connection with these restructuring plans, the Company recognized costs related to termination benefits for employee positions that were eliminated. The restructuring charges, net, of approximately USD 2.6 million for the six-month periods ended September 30, 2018 consist of severance related costs. Some of the severance payments were completed during the six-month periods ended September 30, 2018 and the remaining payments are expected to be completed during the fiscal year ending March 31, 2019.

A summary of the Company's restructuring activity, including costs incurred during the six-month periods ended September 30, 2018 and September 30, 2017 is as follows:

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands	**2018**	2017
Beginning balance, April 1,	$ 8'460	$ 2'460
Restructuring charges	2'589	8'149
Cash payments	(3'327)	(4'471)
Effect of changes in exchanges rates	(490)	$ 215
Balance as of September 30,	**$ 7'232**	**$ 6'353**

The outstanding balance as of September 30, 2018 and September 30, 2017, respectively, is included under Accrued liabilities in the Interim Condensed Consolidated Balance Sheets. Substantially all of the remaining accrued restructuring balance is expected to be paid out by the end of the current fiscal year ending March 31, 2019 or in the following fiscal year.

Restructuring activity charges have been recognized in the following statement of operations line items:

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in thousands	**2018**	2017
Cost of revenue	$ 961	$ 1'981
Research and development	481	690
Sales and marketing	930	644
General and administrative	217	4'834
Total	**$ 2'589**	**$ 8'149**

The following table outlines the cumulative and the current costs incurred to date under the program per operating segment:

USD in thousands	Cumulative Costs incurred up to September 30, 2018	Total Costs incurred in the six months ended September 30, 2018
Americas	$ 8’093	$ 1’495
EMEA	28’606	529
Asia Pacific	10’320	593
Corporate	1’744	(28)
Restructuring Charges	**$ 48’763**	**$ 2’589**

The cumulative costs incurred up to September 30, 2018 represent the Company’s ongoing restructuring efforts under various programs from FY 2011 to FY 2017. The expected future costs for the restructuring programs are USD 7.2 million spread over the next four years and are limited to EMEA.

NOTE 15: SEGMENT INFORMATION

The Company has organized itself into the following operating segments: Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific, which are also our reportable segments.

A description of each reportable segment is as follows:

Americas – The Americas generates a majority of its revenue in the United States, with the balance produced in Canada, Central America, South America, Japan and certain other markets which adopt US standards. The Americas reportable segment designs, manufactures, markets, and sells the Company’s Gridstream and advanced meter solutions, digital electricity meters, commercial/industrial and grid meters, system deployment services, managed network services, and other advanced metering infrastructure offerings including software, installation, implementation, consulting, maintenance support, and related services.

EMEA – The EMEA segment produces the majority of its revenue in Europe with the balance generated in the Middle East, South Africa and certain other markets which adopt European standards. The EMEA reportable segment designs, manufactures, markets, and sells the Company’s Gridstream and advanced meter solutions, digital electricity meters, prepayment electricity meters, commercial/industrial and grid meters, gas meters and prepayment solutions, heat and water meters and solutions, load control devices, system deployment services, and advanced metering infrastructure offerings including software, installation, implementation, consulting, maintenance support, and related services.

Asia Pacific – The Asia Pacific segment generates the majority of its revenue in Australia, China, Hong Kong and India, while the balance is generated in Singapore and other markets in Asia. The Asia Pacific reportable segment designs, manufactures, markets, and sells the Company’s Gridstream and advanced meter solutions, digital electricity meters, prepayment electricity meters, commercial/industrial and grid meters, gas meters and prepayment solutions, heat and water meters and solutions, load control devices, system deployment services, and advanced metering infrastructure offerings including software, installation, implementation, consulting, maintenance support, and related services.

The Chief Operating Decision Maker (CODM) is the Company’s Chief Executive Officer. The CODM allocates resources to and assesses the performance of each operating segment using the information outlined in the table below. Each operating segment offers products for different applications and markets and provides separate financial information that is evaluated regularly by the CODM.

Decisions by the CODM on how to allocate resources and assess performance are based on a reported measure of segment profitability.

Headquarter activities, global research and development and other centralized functions are included in the Corporate unallocated segment.

Effective April 1, 2017, the Company has two primary measures for evaluating segment performance: revenue to third parties (excluding any inter-company sales) and adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). We define Adjusted EBITDA as operating income (loss) excluding depreciation and amortization, impairment of intangible and long-lived assets, restructuring charges, exceptional warranty related expenses, warranty normalization adjustments and special items.

SEGMENT INFORMATION

USD in thousands	SIX MONTHS ENDED SEPTEMBER 30, 2018	2017
Net revenues		
Americas	$ 498’339	$ 477’338
thereof to external customers	497’459	475’196
thereof to other segments	880	2’142
EMEA	331’824	355’998
thereof to external customers	291’594	320’660
thereof to other segments	40’230	35’338
Asia Pacific	65’687	72’192
thereof to external customers	63’857	69’783
thereof to other segments	1’830	2’409
Elimination	(42’940)	(39’889)
Total Company	**$ 852’910**	**$ 865’639**
Adjusted EBITDA[1]		
Americas	$ 102’205	$ 105’936
EMEA	(425)	(3’843)
Asia Pacific	(3’603)	(5’497)
Corporate unallocated	8’629	9’882
Total Company	**$106’806**	**$106’478**
Restructuring charges[2]	(2’589)	(8’149)
Exceptional warranty related expenses[3]	(641)	(2’419)
Warranty normalization adjustments[4]	11’292	(30’339)
Special items[5]	–	(24’758)
Depreciation	(22’659)	(23’888)
Amortization of intangible assets	(24’621)	–
Interest income	272	368
Interest expense	(3’114)	(3’761)
Non-operational pension (cost) credit[1]	2’080	2’274
Gain on divestments	15’545	–
Income (loss) on foreign exchange, net	(2’484)	7’862
Income (loss) before income tax expense	**$ 79’887**	**$ 23’668**

1 Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adjusted EBITDA for the six months ended September 30, 2017 has been revised down by USD 2.3 million as all pension income and expenses other than service costs are now reported under “Non-operational pension (cost) credit”. Income (loss) before income tax expense is unchanged.

2 Restructuring charges are summarized in Note 14: Restructuring Charges including the line items in the Interim Condensed Consolidated Statements of Operations that include the restructuring charges.

3 Exceptional warranty related expense relates to a legacy component issue in the EMEA segment.

4 Warranty normalization adjustments represents warranty expense that diverges from the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty and warranty-like claims less insurance proceeds received in respect of warranty and warranty-like claims.

5 Special items represent costs incurred, or income earned, related to non-recurring events, certain settlements of litigation and other miscellaneous items. Special items for the six months ended September 30, 2017 included USD 24.2 million costs incurred in connection with the IPO and USD 0.6 million other miscellaneous items.

Supplemental Reconciliations and Definitions

Adjusted EBITDA

The reconciliation of EBITDA to Adjusted EBITDA is as follows for the six-month periods ended September 30, 2018 and 2017:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,	
USD in millions, unless otherwise indicated	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Operating income [1]	**$ 67.6**	**$ (7.8)**	**$ 79.8**	**$ 36.7**	**$ (9.3)**	**$ (17.4)**	**$ (6.7)**	**$ (8.2)**	**$ 3.8**	**$ (18.9)**
Amortization of intangible assets	24.6	24.7	16.7	16.6	3.7	3.7	0.9	1.1	3.3	3.3
Depreciation	22.7	23.9	13.3	15.1	7.4	6.8	1.7	1.8	0.3	0.2
EBITDA [1]	**114.9**	**40.8**	**109.8**	**68.4**	**1.8**	**(6.9)**	**(4.1)**	**(5.3)**	**7.4**	**(15.4)**
Restructuring charges	2.6	8.1	1.5	(0.1)	0.5	7.7	0.6	–	–	0.5
Exceptional warranty related expenses [2]	0.6	2.4	–	–	(0.6)	2.4	–	–	1.2	–
Normalized warranty related expenses [3]	(11.3)	30.3	(9.1)	37.6	(2.1)	(7.1)	(0.1)	(0.2)	–	–
Special items [4]	–	24.8	–	–	–	–	–	–	–	24.8
Adjusted EBITDA [1]	**$ 106.8**	**$ 106.5**	**$ 102.2**	**$ 105.9**	**$ (0.4)**	**$ (3.9)**	**$ (3.6)**	**$ (5.5)**	**$ 8.6**	**$ 10.0**
Adjusted EBITDA margin (%)	12.5%	12.3%	20.5%	22.3%	(0.1%)	(1.2%)	(5.6%)	(7.9%)		

1 Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, H1 2017 Operating income, EBITDA and Adjusted EBITDA have been revised down by USD 2.3 million as all pension income and expenses other than service costs are now reported under "Other income (expense)". Net income is unchanged.

2 Exceptional warranty related expenses related to the X2 matter. See section "Warranty Provisions"

3 Warranty normalization adjustments represent warranty that diverge from a three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty and warranty-like claims.
For the calculation of the average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty-like claims for the periods under review and going forward, see section "Warranty Provisions".

4 Special items for the six months ended September 30, 2017 included USD 24.2 million costs incurred in connection with the IPO and USD 0.6 million other miscellaneous items.

Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the six-month periods ended September 30, 2018 and 2017:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,		SIX MONTHS ENDED SEPTEMBER 30,	
USD in millions, unless otherwise indicated	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Gross Profit	**$ 275.9**	**$ 242.7**	**$ 192.1**	**$ 154.9**	**$ 73.8**	**$ 73.1**	**$ 11.1**	**$ 13.5**	**$ (1.1)**	**$ 1.2**
Amortization of intangible assets	6.9	7.1	2.7	2.8	3.5	3.5	0.7	0.8	–	–
Depreciation	18.8	19.9	11.5	13.2	6.4	5.8	0.9	0.9	–	–
Restructuring charges	1.0	2.0	0.8	–	–	2.0	0.2	–	–	–
Exceptional warranty related expenses	0.6	2.4	–	–	(0.6)	2.4	–	–	1.2	–
Normalized warranty related expenses	(11.3)	30.3	(9.1)	37.6	(2.1)	(7.0)	(0.1)	(0.2)	–	(0.1)
Adjusted Gross Profit	**$ 291.9**	**$ 304.4**	**$ 198.0**	**$ 208.5**	**$ 81.0**	**$ 79.8**	**$ 12.8**	**$ 15.0**	**$ 0.1**	**$ 1.1**
Adjusted Gross Profit margin (%)	34.2%	35.2%	39.8%	43.9%	27.8%	24.9%	20.0%	21.5%		

Adjusted Operating Expense

The reconciliation of Operating Expense to Adjusted Operating Expenses is as follows for the six-month periods ended September 30, 2018 and 2017:

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in millions, unless otherwise indicated	**2018**	2017
Research and development	**$ 78.9**	**$ 83.2**
Depreciation	(2.0)	(2.2)
Restructuring charges	(0.5)	(0.7)
Adjusted Research and Development	**76.4**	**80.3**
Sales and marketing	46.9	54.7
General and administrative	64.9	94.9
Depreciation	(1.9)	(1.8)
Restructuring charges	(1.1)	(5.5)
Special items	–	(24.8)
Adjusted Sales, General and Administrative	**108.8**	**117.5**
Adjusted Operating Expenses	**$ 185.2**	**$ 197.8**

Warranty Provisions

We offer standard warranties on our metering products and our solutions for periods ranging from one to five years. In some instances, warranty periods can be further extended based on customer specific negotiations.

Under limited circumstances, we may also settle certain quality-related issues experienced by our customers even if not strictly required to do so by the terms of a warranty (referred to as "warranty-like" items). Warranty accruals represent our estimate of the cost of projected warranty and warranty-like claims and are based on historical and projected warranty trends, specific quality issues identified (if any), supplier information and other business and economic projections as well as other commercial considerations. Our results in any given period are affected by additions to as well as by releases of, or other adjustments to, these accruals, offset by insurance proceeds, received or receivable, if any.

For the six-month periods ended September 30, 2018 and 2017, our Interim Condensed Consolidated Statements of Operations include net changes to the warranty and warranty-like accruals, which we record in cost of goods sold, of USD (1.3) million and USD 36.9 million, respectively, comprising additions to and releases of, or other adjustments to, accruals in respect of such claims. Our results were historically significantly impacted by warranty claims relating to the X2 capacitors (the "X2 matter"), which was settled in January 2017 and transferred to other current liabilities. Our outflow in respect of X2 matter was USD (13.7) million and USD (6.8) million for the six-month periods ended September 30, 2018 and 2017 recorded in other current liabilities. The remaining X2 related warranty accrual represent minor X2 related matters.

Management considers the X2 matter to be an exceptional warranty case because of the uniqueness of the matter and because it was part of an industry wide component failure that impacted not only our products, but also those of our competitors and the electronics industry generally. Excluding X2-related accruals, our net changes to accruals for warranty and warranty-like claims for the six month periods ended September 30, 2018 and 2017 would have been USD (1.3) million and USD 36.7 million, respectively. In the six month period ended September 30, 2017, net changes to warranty accruals were impacted by additional accruals of USD 40.9 million related to legacy component issues in the Americas.

In assessing the underlying operational performance of the business over time, Management believes it is useful to consider average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty and warranty-like claims as an alternative to warranty accruals, which are estimates and subject to change and significant period-to-period volatility. For the purposes of determining warranty normalization adjustments, the average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty and warranty-like claims is calculated on the basis of a three-year rolling average for the six-month period ended September 30, 2018 and 2017.

Management presents Adjusted EBITDA in this Half-Year Report 2018 as an alternative performance measure (both at the Group and at the segment level). With regards to warranty and warranty-like claims, Adjusted EBITDA excludes the accruals associated with the X2 claim (as well as the associated legal expenses) and, with respect to other warranty and warranty-like claims, includes only the average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of such claims (net of insurance proceeds, received or receivable, if any), which amounted to USD 10.0 million and USD 6.4 million for the six-month periods ended September 30, 2018 and 2017. For the six-month periods ended September 30, 2018 and 2017, the warranty normalization adjustments made in calculating Adjusted EBITDA amounted to USD (11.3) million and USD 30.3 million, respectively.

The following table provides information on our accruals in respect of warranty and warranty-like claims as well as the associated outflow (in cash and cash equivalents) for the periods under review.

	SIX MONTHS ENDED SEPTEMBER 30,	FISCAL YEAR ENDED MARCH 31,		SIX MONTHS ENDED MARCH 31,	FISCAL YEAR ENDED MARCH 31,	
USD in millions, unless otherwise indicated	**2018**	**2018**	2017	2016	2016	**Average**
Beginning of the year						
Warranty accrual	$73.4	$51.7	$91.6		$48.5	
Other warranty-like accrued liabilities [1]	–	–	6.5		2.3	
Total	**73.4**	**51.7**	**98.2**		**50.8**	
Additions [2]	3.2	48.0	46.6	32.3	64.6	
Other changes/adjustments to warranties [3]	(4.5)	(7.3)	(53.8)	(3.9)	(7.9)	
Outflow in respect of X2 matter	(1.2)	(1.0)	(18.9)	(0.6)	(1.2)	
Outflow in respect of other warranty and warranty-like claims	(19.4)	(20.5)	(15.7)	(4.5)	(9.0)	(20.0)
Total outflow in respect of X2 matter and other warranty and warranty-like claims	(20.6)	(21.5)	(34.6)	(5.1)	(10.1)	
Effect of changes in exchange rates	(1.7)	2.6	(4.7)	0.4	0.7	
Ending balance						
Warranty accrual	49.9	73.4	51.7		91.6	
Other warranty-like accrued liabilities [1]	–	–	–		6.5	
Total	**$49.9**	**$73.4**	**$51.7**		**$98.2**	

1 Other warranty-like accrued liabilities, which are reflected in other current liabilities in the consolidated balance sheets.
2 "Additions" reflects new product warranty amounts included in warranty provisions (USD 3.2 million for the six months ended September 30, 2018 and USD 48.0 million, USD 48.7 million and USD 54.7 for the years ended March 31, 2018, 2017 and 2016, respectively, due to legacy component issues in Americas and EMEA) and other warranty-like accrued liabilities (USD nil for the six months ended September 30, 2018 and USD nil, USD (2.1) million and USD 9.9 million for the years ended March 31, 2018, 2017 and 2016, respectively).
3 Other changes/adjustments to warranties reflects amounts included in warranty provisions and other warranty-like accrued liabilities as a result of releases or other adjustments resulting from settlement of claims for which accruals had previously been recorded. In particular, the figure for the year ended March 31, 2017 reflects the reclassification of accruals for the X2 matter from warranty accruals to liabilities following a settlement in connection with the X2 matter.

The following table provides further information on our warranty and warranty-like claims, including the impact of the X2 matter on our accruals and the derivation of the warranty normalization adjustments used in calculated Adjusted EBITDA.

	SIX MONTHS ENDED SEPTEMBER 30,	
USD in millions, unless otherwise indicated	**2018**	2017
Additions		
Additions (including X2) [1]	$3.2	$43.0
X2 Additions	–	(0.2)
Additions (excluding X2)	**3.2**	**42.8**
Other changes/adjustments to warranties		
Releases (including X2)	(4.5)	(6.1)
X2 Reclassification	–	–
X2 Releases	–	–
Releases (excluding X2)	**(4.5)**	**(6.1)**
Net changes to warranty and warranty-like accruals (including X2)	(1.3)	36.9
Net changes to warranty and warranty-like accruals relating to X2	–	(0.2)
Net changes to warranty and warranty-like accruals (excluding X2)	**(1.3)**	**36.7**
Three year average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims (excluding X2)	10.0	6.4
Warranty normalization adjustments	**$(11.3)**	**$30.3**

1) "Additions (including X2)" reflects new product warranty amounts included in warranty provisions (USD 3.2 million and USD 43.0 million for the periods ended September 30, 2018 and 2017, respectively).

Main Exchange Rates applied

The following exchange rates against the USD have been applied for the most important currencies concerned:

	INCOME STATEMENT AVERAGE EXCHANGE RATE, SIX MONTHS		EXCHANGE RATE ON BALANCE-SHEET DATE	
Exchange rates	**2018**	2017	**30.09.2018**	31.03.2018
Euro countries – EUR	1.1775	1.1381	1.1614	1.2327
United Kingdom – GBP	1.3313	1.2943	1.3042	1.4037
Switzerland – CHF	1.0155	1.0275	1.0243	1.0492
Brazil – BRL	0.2649	0.3131	0.2487	0.3031
Australia – AUD	0.7439	0.7702	0.7235	0.7686

Glossary

The following table provides definitions for key terms and abbreviations used within this half-year report.

Term	Definition
Adjusted EBITDA	Net income (loss) excluding interest income and expense, net, gain (loss) on foreign exchange related to intercompany loans, net, depreciation and amortization, impairment of intangible and long-lived assets, restructuring charges, exceptional warranty related expenses, warranty normalization adjustments, special items, and income tax expense
Adjusted Gross Profit	Total revenue minus the cost of revenue, adjusted for depreciation, amortization and certain non-recurring or other items that Management believes are not indicative of operational performance
Adjusted Operating Expense	Research and development expense (net of research and development related income), plus sales and marketing expense, plus general and administrative expense, adjusted for depreciation and non-recurring or other items that Management believes are not indicative of operational performance
Committed Backlog	Cumulative sum of the awarded contracts, with firm volume and price commitments, that are not fulfilled as of the end of the reporting period
Cost of Revenue	Cost of manufacturing and delivering the products or services sold during the period
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortization and Impairment of intangible assets
EPS	Earnings Per Share (the Company's total earnings divided by the weighted average number of shares outstanding during the period)
Free Cash Flow	Cash flow from operating activities (including changes in net operating working capital) minus cash flow from investing activities (capital expenditures in fixed and intangible assets), excluding merger & acquisition activities
Net Debt	Current and non-current loans and borrowings less cash and cash equivalents
Net Revenue	Income realized from executing and fulfilling customer orders, before any costs or expenses are deducted
Order Intake	Sum of awarded contracts during the reporting period, with firm volume and price commitments

Information for Shareholders

Share Information

Listing	SIX Swiss Exchange (International Reporting Standard)
Ticker symbol	LAND
Swiss Security Number	37115349
ISIN	CH0371153492
Nominal value	CHF 10.00
Issued shares	29’510’000
1st trading day	July 21, 2017
Indices	SPI, SPI Extra, SPI ex SLI, Swiss All Share Index, UBS 100 Index, Ethos Swiss Governance Index
Accounting standard	US GAAP

Key Stock Exchange Figures

For the period	01.04.2018 – 30.09.2018	01.10.2017 – 31.03.2018	21.07.2017 – 30.09.2017
Share price high (CHF)	76.85	80.90	78.75
Share price low (CHF)	62.20	67.10	71.00
Closing share price high (period end, CHF)	65.55	73.95	71.00
Average volume per trading day (number of shares)[1]	94’314	150’165	155’750
Market capitalization in CHF billion (period end)	1.934	2.182	2.095
Number of registered shareholders (period end)	12’476	11’925	10’924

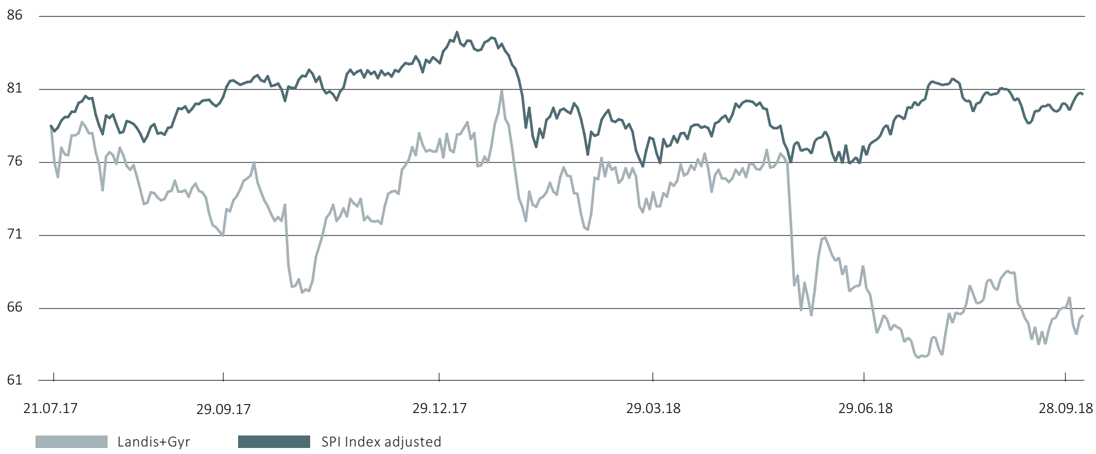
1 On SIX Swiss Exchange (excl. day of IPO)

Key Figures Per Share

For the six months ended	30.09.2018	31.03.2018	30.09.2017
Earnings per share – basic (USD)	2.01	1.40	0.17
Free cash flow[1] per share (USD)	0.48	2.26	0.70

1 Calculated as net cash provided by operating activities, minus net cash used in investing activities, excluding merger and acquisiton activities.

Share Price Performance Landis+Gyr Group AG



Shareholder Structure
As of September 30, 2018, the following shareholders held 3% or more of the outstanding share capital of Landis+Gyr Group AG (as per SIX Swiss Exchange filings):

Holder	Filing Date	Percentage
Kristiansen Group (KIRKBI), Denmark	June 13, 2018	10.52
Rudolf Maag, Binningen BL, Switzerland	July 28, 2017	10.17
Franklin Resources, Inc., United States	February 8, 2018	6.19

Information Policy
Landis+Gyr maintains an open dialog with all internal and external stakeholders. Our information policy is based on consistent, effective, open, honest and timely communication. Matters affecting the share price are published immediately in accordance with the ad hoc publicity rules of the SIX Swiss Exchange.

Corporate Calendar

Capital Markets Day – Zurich	January 29, 2019
Release of Results for Financial Year 2018	May 29, 2019
Ordinary General Meeting 2019	June 25, 2019
Release of Results for Half Year 2019	October 25, 2019

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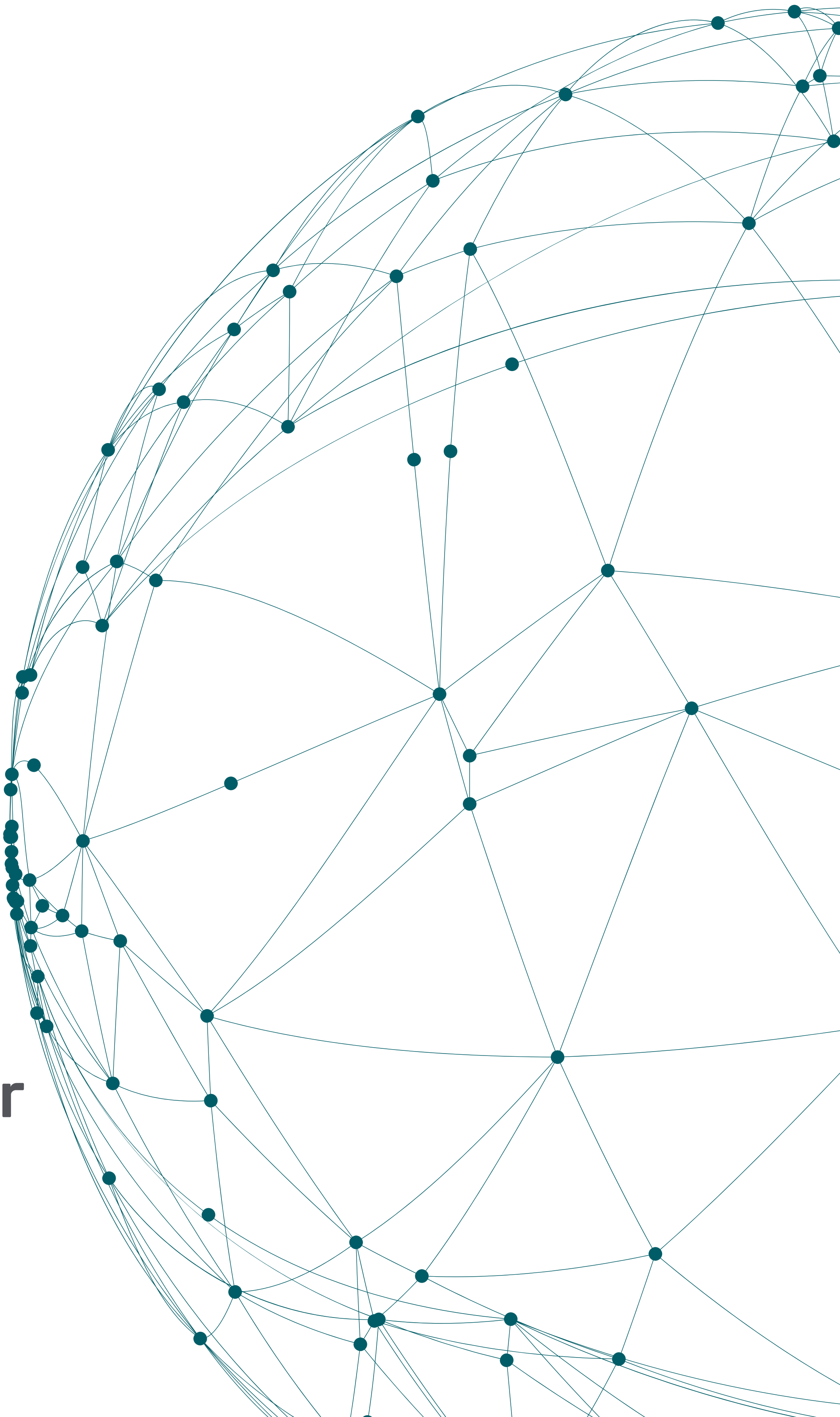

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