



## **Itron Expects First Quarter to Exceed Analyst Expectations**

### **Revised outlook for 2002 revenue and earnings slightly higher than previous guidance Minor change to previously released 2001 diluted shares and diluted EPS**

SPOKANE, WA. — March 14, 2002 — Itron, Inc., (NASDAQ:ITRI), a leading technology provider and source of knowledge to the energy and water industries for collecting, analyzing, and applying critical data about electric, gas, and water usage, today revised its outlook for 2002 revenue and earnings upward slightly, excluding the impact of the recently completed LineSoft acquisition.

The consensus analyst expectation for Itron for the first quarter of 2002 is 15 cents per share. Excluding the impact of the recently announced LineSoft acquisition, we expect net income per diluted share for the first quarter to be between 18 and 22 cents per share, which is well above the consensus expectation, and more than twice the 9 cents per share for the first quarter of 2001.

For the full year 2002, Itron expects revenues to be between \$250 and \$265 million and net income per diluted share to be between 90 and 97 cents, both of which are slightly higher than previous guidance.

The above estimates do not include the impact of LineSoft. The acquisition of LineSoft, which closed March 12, 2002, will result in a first quarter charge for in-process R&D. Operations for LineSoft subsequent to March 12, 2002 will be included in Itron's first quarter financial results. Those results will include additional amortization of intangible assets related to the acquisition. We previously announced that for 2002, the acquisition of LineSoft will result in an additional \$16 to \$20 million in revenues and will be moderately dilutive to breakeven in terms of net income, exclusive of the in-process R&D charge and intangible amortization. We intend to provide an update to expected LineSoft financial results on or before we report first quarter 2002 results on April 17, 2002.

"Contributing to our better than expected results is that we are not seeing as strong a seasonal dip in first quarter revenues this year as we have in prior years," commented LeRoy Nosbaum, Itron's CEO. "We are very pleased to see stronger than expected results coming from all three of our domestic market segments – Electric, Natural Gas and Water and Public Power systems."

Commenting on the LineSoft acquisition, Nosbaum added that, "Transition teams are in place and the integration of LineSoft into Itron is moving along at a better than expected pace. I am delighted to see the enthusiasm and excitement of the LineSoft and Itron employees as the two companies come together."

Itron also announced that while there is no change in the \$13.4 million in net income, and 86 cents per share in Basic EPS previously reported for 2001, net income per diluted share has been revised from 77 cents to 75 cents to reflect guidance from the Company's auditors on the "if converted" calculation for diluted EPS. Under the new guidance, a portion of the Company's convertible debt, representing approximately 1.6 million shares on a converted basis and interest savings of approximately \$1.6 million net of tax, is no longer included in the diluted EPS calculation as that portion is anti-dilutive (increases EPS) for the full year.

Itron Inc. is a leading technology provider and source of knowledge to the energy and water industry for collecting, analyzing, and applying critical data about electric, gas, and water usage. Itron technology touches more than \$200 billion in energy and water transactions annually. Today, Itron systems are installed at more than 2,000 utilities in over 45 countries around the world and are being used to collect data from 275 million electric, gas, and water meters. Of those, more than 850 customers use Itron's radio and telephone-based technology to automatically collect information from over 20 million of those meters. Itron's software systems are also in use at a number of the newly created wholesale energy markets in the U.S. and Canada to provide critical billing and settlement systems for the power flowing into and out of those deregulating markets. *Knowledge to Shape Your Future – that's Itron.*

This release contains forward-looking statements concerning Itron's operations, economic performance, and revenue and earnings growth. These statements reflect the Company's current plans and expectations and are based on information currently available to it. They rely on a number of assumptions and estimates, which could be inaccurate, and which are subject to risks and uncertainties that could cause the Company's actual results to vary materially from those anticipated. Risks and uncertainties include the rate and timing of customer demand for the Company's products, the ability of the Company to

effectuate additional initiatives for improving profitability, particularly as they relate to the LineSoft acquisition, changes in law and regulation (including FCC licensing actions), and other factors which are more fully described in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 and Form 10-Qs for 2001 on file with the Securities and Exchange Commission. Itron undertakes no obligation to update publicly or revise any forward-looking statements.

For additional information, contact:

Christina Kelly  
Marketing/Communications Specialist  
(509) 891-3268  
[christina.kelly@itron.com](mailto:christina.kelly@itron.com)