

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 24, 2011

Date of Report (Date of Earliest Event Reported)

ITRON, INC.

(Exact Name of Registrant as Specified in its Charter)

Washington

(State or Other Jurisdiction
of Incorporation)

000-22418

(Commission File No.)

91-1011792

(IRS Employer
Identification No.)

2111 N. Molter Road, Liberty Lake, WA 99019

(Address of Principal Executive Offices, Zip Code)

(509) 924-9900

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.05 Costs Associated with Exit or Disposal Activities.

On October 26, 2011, Itron, Inc. (Itron or the Company) announced projects to restructure its manufacturing operations to increase efficiency and lower cost of manufacturing. The Company expects to achieve annualized cost savings of approximately \$30 million by the end of 2013. In 2012, Itron anticipates savings of approximately \$15 million, which will be realized primarily in the second half of the year.

Under the restructuring, Itron is implementing projects to close or consolidate several of its manufacturing facilities. Approximately one-third of the Company's 31 global manufacturing locations will be impacted: six manufacturing facilities will be closed or sold and operations at several other facilities will be reduced. The Company also expects to pursue the disposition of certain non-core businesses. Overall, Itron expects to reduce its workforce by approximately 7.5%.

Itron expects to take a pre-tax restructuring charge of approximately \$65 to \$75 million over the next 15 to 18 months. A substantial portion of these charges is expected to be incurred and paid during the fourth quarter of 2011, throughout 2012, and the first half of 2013. Approximately \$45 million of the charges are expected to be recorded in the fourth quarter of 2011, approximately \$15 million will be recorded in 2012, and the remainder in 2013. Of the estimated charges, approximately 30% is related to closing or consolidating manufacturing and non-manufacturing operations and approximately 70% is associated with severance costs.

Certain projects are subject to a variety of labor and employment laws, rules, and regulations which could result in a delay in implementing projects at some locations.

Item 2.06 Material Impairments.

Itron's decline in market capitalization during September 2011 required the Company to perform an interim impairment test of its goodwill and record an estimated goodwill write-down of \$540.4 million in the third quarter of 2011 for two of its four reporting units.

	Beginning balance at September 30, 2011		Estimated Impairment		Ending balance at September 30, 2011
			(in thousands)		
Itron International - Electricity	\$ 363,626	\$	216,085	\$	147,541
Itron International - Water	389,308		324,315		64,993
		\$	540,400		

The amount of the goodwill impairment charge is subject to finalization during the fourth quarter of 2011. This \$540.4 million non-cash impairment charge does not affect the debt covenants under the Company's existing credit facility.

The percentage by which the estimated fair value of the remaining two reporting units exceeded their carrying value and the amount of goodwill allocated to each of these remaining reporting units at September 30, 2011 was as follows:

September 30, 2011

	Goodwill	Fair Value Exceeded Carrying Value
	(in thousands)	
Itron North America	\$ 197,731	123%
Itron International - Gas	304,341	7%
	<u>\$ 502,072</u>	

Changes in market demand, fluctuations in the economies in which we operate, volatility and decline in the worldwide equity markets, and a further decline in our market capitalization could negatively impact the carrying value of our goodwill, which could have a significant effect on our current and future results of operations and financial condition.

Item 8.01 Other Events.

On October 24, 2011, Itron's Board of Directors authorized a repurchase program of up to \$100 million of Itron's common stock over the next twelve months. The share repurchase program is effective immediately. Repurchases will be made in the open market or in privately negotiated transactions and in accordance with applicable securities laws. Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Restructuring press release dated October 26, 2011.
99.2	Share repurchase program press release dated October 26, 2011.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ITRON, INC.

Dated: October 26, 2011

By: /s/ Steven M. Helmbrecht

Steven M. Helmbrecht

Sr. Vice President and Chief Financial Officer

EXHIBIT INDEX

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99.1	Restructuring press release dated October 26, 2011.
99.2	Share repurchase program press release dated October 26, 2011.

Itron to Restructure Manufacturing Operations

Company Expects to Realize Annualized Savings of \$30 Million from Increased Efficiency and Reduced Costs

LIBERTY LAKE, Wash.--(BUSINESS WIRE)--October 26, 2011--Itron, Inc. (NASDAQ:ITRI) today announced projects to restructure its manufacturing operations to increase efficiency and lower manufacturing costs. The company expects to achieve annualized cost savings of approximately \$30 million:

- In 2012, Itron anticipates savings of approximately \$15 million, which will be realized primarily in the second half of the year.
- Itron expects to be at an annualized run rate of approximately \$30 million in cost savings by the end of 2013.

Under the restructuring, Itron is implementing projects to close or consolidate several of its manufacturing facilities over the next 15 to 18 months. Approximately one-third of the company's 31 global manufacturing locations will be impacted: six manufacturing facilities will be closed or sold and operations at several other facilities will be reduced. The company also expects to pursue the disposition of certain non-core businesses. As a result of the restructuring, Itron expects to reduce its global workforce by approximately 7.5 percent representing a net reduction of about 750 full-time positions.

"Our primary focus is on driving efficiencies in our manufacturing operations, while continuing to meet and exceed the needs of our water, gas and electric utility customers around the world," said LeRoy Nosbaum, Itron's president and chief executive officer. "We are confident that our disciplined approach to increasing manufacturing utilization will simplify our operations and lower our costs."

In connection with the restructuring initiative, Itron expects to record pre-tax restructuring charges totaling approximately \$65 to \$75 million over the next 15 to 18 months. Approximately \$45 million of the charges are expected to be recorded in the fourth quarter of 2011, approximately \$15 million will be recorded in 2012 and the remainder in 2013. Of the estimated charges, approximately 30 percent is related to closing or consolidating facilities and approximately 70 percent is associated with severance costs.

"This is a difficult but necessary decision that will better position Itron to succeed in today's increasingly competitive market and create value for stockholders," Nosbaum added. "Our operating needs have changed, but this is in no way due to the outstanding efforts of Itron's employees."

Forward-Looking Statements:

This release contains forward-looking statements concerning our expectations about operations, financial performance, sales, earnings and cash flows. These statements reflect our current plans and expectations and are based on information currently available. The statements rely on a number of assumptions and estimates, which could be inaccurate, and which are subject to risks and uncertainties that could cause our actual results to vary materially from those anticipated. Risks and uncertainties include the rate and timing of customer demand for our products, rescheduling of current customer orders, changes in estimated liabilities for product warranties, changes in laws and regulations, our dependence on new product development and intellectual property, future acquisitions, changes in estimates for stock-based and bonus compensation, increasing volatility in foreign exchange rates, international business risks and other factors which are more fully described in our Annual Report on Form 10-K for the year ended December 31, 2010 and other reports on file with the Securities and Exchange Commission. Itron undertakes no obligation to update publicly or revise any forward-looking statements, including our business outlook.

About Itron

Itron is the leading provider of energy and water resource management solutions for nearly 8,000 utilities around the world. We offer end-to-end solutions that include electricity, gas, water and heat measurement and control technology; communications systems; software; and professional services. With nearly 10,000 employees doing business in more than 130 countries, Itron empowers utilities to responsibly and efficiently manage energy and water resources. To realize a sustainable future, start here: www.itron.com.

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Itron Authorizes \$100 Million Share Repurchase Program

LIBERTY LAKE, Wash.--(BUSINESS WIRE)--October 26, 2011--Itron, Inc. (NASDAQ:ITRI) today announced that its Board of Directors has authorized the repurchase of up to \$100 million of Itron common stock during the next 12 months.

“This program reaffirms our commitment to increasing shareholder value and underscores our confidence in the long-term prospects of the company,” said LeRoy Nosbaum, Itron’s president and chief executive officer. “Itron generates healthy cash flow, which allows us to be opportunistic in repurchasing shares while continuing to serve our customers and invest in the business.”

The stock repurchase program is effective immediately. Repurchases will be made in accordance with applicable securities laws in the open market or in privately negotiated transactions. Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time without prior notice.

Forward Looking Statements:

This release contains forward-looking statements concerning our expectations about operations, financial performance, sales, earnings and cash flows. These statements reflect our current plans and expectations and are based on information currently available. The statements rely on a number of assumptions and estimates, which could be inaccurate, and which are subject to risks and uncertainties that could cause our actual results to vary materially from those anticipated. Risks and uncertainties include the rate and timing of customer demand for our products, rescheduling of current customer orders, changes in estimated liabilities for product warranties, changes in laws and regulations, our dependence on new product development and intellectual property, future acquisitions, changes in estimates for stock-based and bonus compensation, increasing volatility in foreign exchange rates, international business risks and other factors which are more fully described in our Annual Report on Form 10-K for the year ended December 31, 2010 and other reports on file with the Securities and Exchange Commission. Itron undertakes no obligation to update publicly or revise any forward-looking statements, including our business outlook.

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