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

FORM 10-Q

(mark one)

- --X--- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1997

OR

- ------- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from to

Commission file number 0-22418

ITRON, INC.
(Exact name of registrant as specified in its charter)

Washington	91-1011792
(State of Incorporation)	(I.R.S. Employer Identification Number)

2818 North Sullivan Road
Spokane, Washington 99216-1897
(509) 924-9900
(Address and telephone number of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes__X___ No_____

As of July 31, 1997, there were outstanding 14,460,304 shares of the registrant's common stock, no par value, which is the only class of common or voting stock of the registrant.

ITRON, INC.

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Part 1: Financial Information

Item 1: Financial Statements

ITRON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	1997	1996	1997	1996
Revenues				
AMR systems	$ 32,644	$ 35,006	$ 57,904	$ 69,605
Handheld systems	13,465	13,102	23,025	23,860
Outsourcing services	6,623	87	12,386	2,782
Total revenues	52,732	48,195	93,315	96,247
Cost of sales and services				
AMR systems	19,699	20,444	34,853	38,499
Handheld systems	9,101	6,699	16,070	13,273
Outsourcing services	4,641	58	9,482	1,979
Total costs of sales and services	33,441	27,201	60,405	53,751
Gross profit	19,291	20,994	32,910	42,496
Operating expenses				
Sales and marketing	7,060	6,594	14,585	13,162
Product development	8,073	7,686	15,402	15,061
General and administrative	3,277	2,446	5,701	5,448
Amortization of intangibles	540	362	1,077	694
Total operating expenses	18,950	17,088	36,765	34,365
Operating income (loss)	341	3,906	(3,855)	8,131
Interest and other, net	(1,326)	9	(2,389)	282
Income (loss) before income taxes	(985)	3,915	(6,244)	8,413
Benefit (provision) for income taxes	310	(1,560)	2,310	(3,030)
Net income (loss)	$ (675)	$ 2,355	$ (3,934)	$ 5,383
Net income (loss) per share	$ (0.05)	$ 0.17	$ (0.28)	$ 0.38

The accompanying notes are an integral part of these financial statements.

ITRON, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands)

	June 30, 1997	December 31, 1996
Assets		
Current assets		
Cash and cash equivalents	$ 20,364	$ 2,243
Accounts receivable, net	38,183	44,376
Inventories	29,498	33,837
Deferred income taxes, net	6,483	4,171
Other	3,854	6,116
Total current assets	98,382	90,743
Property and equipment, net	51,213	51,699
Equipment used in outsourcing, net	32,948	19,650
Intangible assets, net	21,696	23,344
Long-term contracts receivable	10,662	1,187
Other	754	798
Total assets	$ 215,655	$ 187,421
Liabilities and shareholders' equity		
Current liabilities		
Bank line of credit	$ -	$ 33,062
Accounts payable and accrued expenses	25,389	24,675
Deferred revenue	5,951	6,767
Total current liabilities	31,340	64,504
Noncurrent liabilities		
Mortgage notes payable	6,440	6,440
Subordinated notes payable	61,238	-
Project financing	831	-
Warranty and other obligations	1,973	2,255
Total noncurrent liabilities	70,482	8,695
Shareholders' equity		
Common stock	102,504	98,686
Retained earnings	11,371	15,305
Other	(42)	231
Total shareholders' equity	113,833	114,222
Total liabilities and shareholders' equity	$ 215,655	$ 187,421

The accompanying notes are an integral part of these financial statements.

ITRON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Six months ended June 30, 1997	Six months ended June 30, 1996
OPERATING ACTIVITIES		
Net income (loss)	$ (3,934)	$ 5,383
Noncash charges (credits) to income:		
Depreciation and amortization	8,101	4,676
Deferred income taxes	(2,300)	1,106
Changes in operating accounts:		
Accounts receivable	6,193	(9,166)
Inventories	4,339	(10,153)
Accounts payable and accrued expenses	(106)	5,663
Long-term contracts receivable	(9,475)	(4,844)
Deferred revenue	(816)	(520)
Other, net	(2,836)	(3,144)
Cash provided (used) by operating activities	4,838	(10,999)
INVESTING ACTIVITIES		
Short-term investments	-	25,074
Acquisition of property, plant and equipment	(5,452)	(15,453)
Equipment used in outsourcing	(16,677)	(2,036)
Proceeds from sale of outsourcing equipment	3,035	-
Other, net	(74)	(3,642)
Cash provided (used) by investing activities	(19,168)	3,943
FINANCING ACTIVITIES		
Change in bank line of credit, net	(33,062)	3,162
Mortgage notes payable	-	840
Borrowings under subordinated debt, net	61,238	-
Project financing	831	-
Issuance of common stock	3,480	2,709
Other, net	(36)	(237)
Cash provided by financing activities	32,451	6,474
Increase in cash and equivalents	18,121	(582)
Cash and cash equivalents at beginning of period	2,243	6,473
Cash and cash equivalents at end of period	$ 20,364	$ 5,891

The accompanying notes are an integral part of these financial statements.

ITRON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 1997

Note 1: Basis of Presentation

The consolidated financial statements presented in this Form 10-Q are unaudited and reflect, in the opinion of management, all normal recurring adjustments necessary for a fair presentation of operations for the three and six month periods ended June 30, 1997. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Form 10-K for the year ended December 31, 1996, as filed with the Securities and Exchange Commission on March 5, 1997.

The Company reports revenue in three categories: AMR (automatic meter reading) systems, Handheld Systems (EMR or electronic meter reading), and Outsourcing. AMR and Handheld Systems revenues include all product and other revenue associated with each business segment. Outsourcing includes revenues for contracts under which the Company may install, own, and operate an AMR system to provide meter reading and advanced communications services over a period of time, typically 15 years.

The results of operations for the three and six month periods ended June 30, 1997, are not necessarily indicative of the results expected for the full fiscal year or for any other fiscal period.

Note 2: Balance Sheet Components

Inventories (unaudited, in thousands):	June 30, 1997	December 31, 1996
Material	$ 17,315	$ 22,687
Work in process	2,803	1,570
Finished goods	8,595	9,047
Total manufacturing inventories	28,713	33,304
Service	785	533
Total inventories	$ 29,498	$ 33,837

Note 3: Acquisition

On May 2, 1997, Itron, Inc., acquired Design Concepts, Inc. ("DCI"), through a merger of DCI with a wholly owned subsidiary of the Company. Pursuant to the Agreement and Plan of Merger dated April 30, 1997, (the "Merger Agreement") the Company issued 759,297 shares of unregistered Itron common stock to the shareholders of DCI in exchange for all outstanding shares of DCI. Pursuant to the Merger Agreement, certificates representing 75,930 of the shares issued in the Merger were placed in Escrow and are available to compensate Itron for any losses incurred by reason of any breach by DCI of the Merger Agreement. The Escrow terminates on May 2, 1998, at which time any shares not subject to a disputed claim will be released to the DCI shareholders.

The Merger was accounted for as a pooling-of-interests transaction. In a pooling-of-interests transaction all financial statements typically are restated for prior periods. Because the DCI results of operations and financial position are immaterial to the Company's statement of operations and balance sheet for prior periods, the accompanying statements have not been restated for the acquisition for prior periods. The Company's financial statements for the quarter ended June 30, 1997, do, however, include the year to date results of operations and financial position for DCI.

Note 4: New Accounting Standards

In June 1997, the Financial Accounting Standard Board issued Statement No. 130, Reporting Comprehensive Income. This statement requires than an enterprise (a) classify items of other comprehensive income by their nature in the financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of the statement of financial position. The Statement is effective for fiscal years beginning after December 15, 1997. The Company believes that the adoption of the Statement will not have a material effect on the financial statements or disclosures of the Company.

In June 1997, the Financial Accounting Standard Board issued Statement No. 131, Disclosures about Segments of an Enterprise and Related Information. This statement requires that a public business report financial and descriptive information about its reportable operating segments. The Statement is effective for financial statement for period beginning after December 15, 1997. The Company believes that the adoption of the Statement will not have a material effect on the financial statements or disclosures of the Company.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS RESULTS OF OPERATIONS

The following table summarizes the major components of and changes in operating income for the quarter ended June 30, 1997:

Six months ended June 30,	Percentage of Total Revenue 1997	1996	Percentage Change
Revenues			
AMR systems	62%	72%	(17%)
Handheld systems	25%	25%	(4%)
Outsourcing	13%	3%	345%
Total revenues	100%	100%	(3%)
Cost of sales and services			
AMR systems	60%	55%	(10%)
Handheld systems	70%	56%	21%
Outsourcing	77%	71%	379%
Total cost of sales and services	65%	56%	12%
Gross profit	35%	44%	(23%)
Operating expenses			
Sales and marketing	16%	14%	11%
Product development	16%	15%	2%
General and administrative	6%	6%	5%
Amortization of intangibles	1%	1%	55%
Total operating expenses	39%	36%	7%
Operating income (loss)	(4%)	8%	(147)%

Revenues

The Company's total revenues increased $4.5 million, or 9%, to $52.7 million in the second quarter of 1997 from $48.2 million in the second quarter in 1996. For the six month period ended June 30, 1997, total revenues were $93.3 million compared to $96.2 million in the same period one year ago.

AMR systems revenues for the three month and six month periods ended June 30, 1997, were $2.4 million and $11.7 million, respectively, less than the 1996 periods. Although the Company shipped approximately 1.3 million meter modules in each of the comparative six month periods, a larger portion of 1997 shipments were for outsourcing installations instead of shipments under sales contracts, which caused AMR sales revenues to decline. Although average selling prices decreased somewhat in the current quarter from the same period one year ago, the effect was not material. Lower meter module sales revenues were partly offset by initial sales of power billing software products in the 1997 quarter. The Company expects that AMR sales will grow in the future. However, much of the expected growth is dependent on the timing and resolution of mergers and acquisitions in the utility industry, industry regulatory reform issues in the United States, development of international markets, and various other factors.

Handheld Systems revenues increased $363,000, or 3%, in the current quarter from the same quarter in 1996 primarily due to increased international shipments to a South Korean utility. On a year to date basis, Handheld Systems revenues of $23.0 million were $835,000, or 4%, lower than the year to date period ended June 30, 1996. The lower 1997 revenues were mainly due to decreased software revenue, the 1996 period included revenue from the release of a new EMR software product. The Company expects that Handheld Systems revenues may decline as a percentage of total revenues over time as utilities adopt more advanced meter reading technologies. The Company expects future Handheld Systems revenues to be driven by sales to new customers internationally and by upgrade and replacement sales domestically.

Outsourcing revenues were $6.6 million and $12.4 million for the three and six month periods ended June 30, 1997, respectively, compared to $87,000 and $2.8 million in the same periods in 1996. The majority of the current year outsourcing revenues were derived from the Company's largest outsourcing contract with the Duquesne Light Company. (See "Description of Business -- Certain Risk Factors -- Dependence on the Installation, Operations and Maintenance of AMR Systems Pursuant to Outsourcing Contracts" in the Company's most recent Annual Report on Form 10-K.) The Company had additional outsourcing revenue of approximately $700,000 in the 1997 periods from a customer exercising its option to convert its outsourcing contract with the Company to a sale. The

Company currently has two outsourcing contracts from which it is generating revenue. Outsourcing revenues are expected to stay at the higher levels experienced in the current periods through the remainder of the year. The Company recognizes revenue for outsourcing agreements using the percentage-of-completion method of accounting for long-term contracts. Under this method, revenue is recognized as project costs are incurred. Revenue recognition in any given period is equal to: (a) the ratio of actual costs incurred during the period to total projected costs over the life of the contract; multiplied by (b) total revenue to be received over the life of the contract. Estimates of future costs will be reviewed periodically. To the extent actual revenues or actual costs, or the timing of those revenues or costs, differ from projected revenues and costs, outsourcing revenues and/or margins could be affected.

Gross Profit
Overall gross profit was 37% of revenues for the current quarter and 35% for the six month period ended June 30, 1997, compared to gross profit of 44% for each of the same periods in 1996. The lower profit margins result from continued excess manufacturing capacity and a higher portion of lower margin outsourcing and international business.

AMR gross profit margins for the year to date 1997 period were 40% of AMR systems sales as compared to 42% in 1996. This margin decline is primarily the result of excess AMR manufacturing capacity. The Company is currently operating at approximately 50% of capacity for meter modules. Additionally, higher gross margins from power billing product sales in the 1997 quarter were offset by a non-recurring rework accrual concerning a single model of the Company's meter modules.

Handheld systems gross profit has declined from 44% of revenues in the 1996 six month period to 30% of revenues in the 1997 six month period, mostly as a result of a shift in mix to international sales. International handheld sales have historically been at lower margins than domestic due to volume pricing and lower software content. In addition, replacement and upgrade business, which now comprises a significant amount of the Company's domestic handheld systems business, has traditionally been discounted from standard pricing.

Outsourcing gross profit was 23% and 29% of revenues for the six month periods ended June 30, 1997 and 1996, respectively. A large portion of the outsourcing business results from a contract with Duquesne Light Company. This contract is the Company's first, large scale, fixed network installation and consequently has higher estimated costs. Outsourcing gross profit in the second quarter of 1997 had a one-time benefit from a customer's decision to convert its outsourcing contract to a system purchase.

The Company's overall gross profit may be affected in the future by competitive pricing pressure, the ability to utilize existing manufacturing capacity, the risks inherent in cost estimation for outsourcing contracts, and other factors.

Operating Expenses
Sales and marketing expenses of $7.1 million for the three month period ended June 30, 1997, increased 7% from the comparable period in 1996 but remained level as a percentage of revenue at 14%. For the year to date period ended June 30, 1997, sales and marketing expenses were $14.6 million compared to $13.2 million for the same period in 1996, reflecting an 11% increase. The higher expenses primarily resulted from consulting charges for the sales and marketing organization along with increased commission, bonus and profit sharing expenses. The Company expects that sales and marketing expenses will remain at approximately 13% to 14% of total revenues for the remainder of the year.

Product development expenses of $8.1 million in the current quarter increased $387,000, or 5%, over the comparable quarter ended June 30, 1996, but decreased as a percentage of revenues from 16% to 15%. For the year to date period ended June 30, 1997, product development expenses of $15.4 million were up slightly from $15.1 million in the same period in 1996. The increases for both the quarter and year to date periods were primarily the result of the DCI acquisition. The Company expects that 1997 product development expenses will remain at approximately 15% to 16% of total revenues for the remainder of the year.

General and administrative expenses of $3.3 million in the second three months of 1997 increased $831,000, or 34%, over the second quarter of 1996, and increased as a percentage of total revenues from 5% to 6%. For the year to date periods, general and administrative expenses increased $253,000, or 5%, yet remained level as a percentage of revenues. The increase for both the quarter and year to date periods were due to several factors including DCI acquisition costs and administrative expenses, and bonus and profit sharing expenses. General and administrative expenses are expected to remain at approximately 5% to 6% of total revenues in the foreseeable future.

Amortization of intangibles increased $178,000 and $383,000 in the three and six month periods, respectively, ended June 30, 1997, over the same periods in 1996, yet remained at 1% of total revenues. The increased expenses were due to amortization of patents and licenses acquired during the last half of 1996.

Interest and Other, Net
The Company had net interest and other expense of $1.3 million and $2.4 million for second quarter and year to date periods of 1997, respectively. Interest expense during the quarter and year to date periods was reduced by $190,000 and $407,000, respectively, from capitalized interest related to outsourcing installations. Interest expense in the 1997 periods was caused primarily by

borrowings under the Company's bank line of credit and 6 3/4% Convertible Subordinated Notes. The Company completed a $63.4 million (including over-allotment option) private placement of the Notes in March and April of 1997. In the 1996 periods, the Company generated net interest income of $9,000 and $282,000, respectively, from the investment of cash equivalents and short-term investments.

Income Taxes

The Company had an income tax benefit of 37% of pre-tax earnings for the six months ended 1997 compared to an income tax provision of 36% for the same period in 1996. To the extent pre-tax earnings, or the components of those earnings, differ from expectations, the effective tax rate for the year could change from the current year-to-date rate.

FINANCIAL CONDITION

Operating activities generated $4.8 million in cash during the first six months of 1997. Operating activities consumed $11.0 million during the same six month period one year ago. The favorable turn in operating activities was caused to a large degree by reductions in inventory and accounts receivable balances during 1997 from year-end levels. Inventory levels have steadily decreased since the Company implemented a "build to order" production schedule in the fourth quarter of 1996. During the first three quarters of 1996, the Company was operating under a "build to expectation" production schedule. The Company collected a large portion of an unbilled account receivable from one customer during the six months ended June 30, 1997. Accounts receivable balances grew in the 1996 period due to unusually large unbilled receivables balances for a single customer. The Company's long-term contracts receivable balance, which represents the amount of outsourcing revenues earned but not yet billed, increased $9.5 million during the 1997 period. Long-term unbilled contracts receivable are expected to be approximately double the current level by year end.

Investing activities consumed $19.2 million in the first six months of 1997. Investing activities generated $3.9 million in the comparable period in 1996. The Company generated cash in the 1996 period by liquidating $25.1 million in short-term investments. Cash was used in the current six months to fund $5.5 million of property and equipment additions and $16.7 million of product costs for the Company's outsourcing installations. In the first six months of 1996, the Company invested $15.5 million in property and equipment, the majority of which was for additional equipment to expand production capacity at both of the Company's principal manufacturing locations. An additional $2.0 million for product costs related to outsourcing installations was also invested in the 1996 period. Itron anticipates spending somewhat more on outsourcing equipment in 1997 than it did in 1996. Property and equipment additions for the Company are expected to be substantially less than the 1996 level.

Financing activities in the first six months of 1997 provided $32.5 million in cash. During the quarter the Company successfully closed an $8 million, long-term, fixed rate project financing facility for an outsourcing agreement and received $831,000 of the funds. Additionally, the Company generated $61.2 million in cash from the Convertible Subordinated Note offering in March and April of 1997. The net proceeds from the offering were used to pay off the Company's bank line of credit and fund operations. The remainder of the proceeds is invested in short-term cash equivalents. The Company generated $6.5 million in cash in the comparable six months of 1996 from the exercise of stock options and borrowings under the Company's bank line of credit.

Existing sources of liquidity at June 30, 1997, include approximately $20.4 million of existing cash and cash equivalents and $50 million of available borrowings under the Company's bank line of credit agreement which expires on October 31, 1997, at which time it is expected to be renewed. Itron expects to have cash requirements during the year for existing outsourcing installations and intends to seek project financing for future outsourcing agreements. The Company believes that existing cash and available borrowings are sufficient to fund operations for the remainder of 1997 and into 1998.

Certain Forward-Looking Statements

When included in this Quarterly Report on Form 10-Q, the words "expects," "intends," "anticipates," "plans," "projects" and "estimates," and analogous or similar expressions are intended to identify forward-looking statements. Such statements, which include, but are not limited to, statements contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Such risks and uncertainties include, among others, changes in the utility regulatory environment, delays or difficulties in introducing new products, increased competition and various other matters, many of which are beyond the Company's control. These and other risks are described in more detail in "Description of Business -- Certain Risk Factors" in the Company's most recent Annual Report on Form 10-K, and such description is hereby incorporated herein by reference. These forward-looking statements speak only as of the date of this report. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change on the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Part 2: Other Information

Item 1: Legal Proceedings

On October 3, 1996, Itron filed a patent infringement suit against CellNet Data Systems ("CellNet") in the United States District Court for the District of Minnesota, alleging that CellNet is infringing on the Company's United States Patent No. 5,553,094, entitled "Radio Communication Network for Remote Data Generating Stations," issued on September 3, 1996. The Company is seeking injunctive relief as well as monetary damages, costs and attorneys' fees. The discovery phase of this lawsuit has commenced. There can be no assurance that the Company will prevail in this action or, even if it does prevail, that the legal costs incurred by the Company in connection therewith will not have a material adverse effect on the Company's financial condition.

On April 29, 1997, Itron was served by CellNet with a complaint alleging patent infringement. The suit is pending in the United States District Court for the Northern District of California. Itron's management has reviewed the complaint and believes it to be without merit. The patent in question was issued in 1988. Itron's management is unaware of any previous assertion by CellNet of any claim of patent infringement by Itron. Itron intends to vigorously defend this suit. The complaint seeks injunctive relief as well as monetary damages, costs and attorneys' fees.

On May 29, 1997, Itron and its President and Chief Executive Officer, Johnny M. Humphreys, were served with a complaint alleging securities fraud filed by Mark G. Epstein, on his own behalf and alleged to be on behalf of all others similarly situated, in the U.S. District Court for the Eastern District of Washington (Civil Action No. CS-97-214 RHW). The complaint alleges, among other matters, that Itron and Mr. Humphreys violated Section 10(b) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 thereunder by making allegedly false statements regarding the development status, performance and technological capabilities of Itron's Fixed Network automatic meter reading ("AMR") system and regarding the suitability of Itron's encoder receiver transmitter devices for use with an advanced Fixed network AMR system. The complaint seeks monetary damages, costs and attorneys' fees and unspecified equitable or injunctive relief. On July 28, 1997, the Company and Mr. Humphreys filed a motion to dismiss the complaint for failure to state a proper claim for relief for securities fraud. The Company continues to believe it has good defenses to the claims alleged and intends to defend itself vigorously in this action.

Item 4: Submission of Matters to a Vote of Security Holders

The Company held its annual meeting of shareholders on April 29, 1997. Four directors were elected at the meeting, S. Edward White, whose term is for two years, and Michael B. Bracy, Graham M. Wilson and Mary Ann Peters, all of whose terms are for three years. Johnny M. Humphreys, Paul A. Redmond, Ted C. DeMerritt and Jon E. Eliassen continued their terms as Directors. The following summarizes all matters voted on at the meeting:

Item 1. Election of Directors:

Nominee	In Favor	Withheld
S. Edward White	11,412,376	61,301
Michael B. Bracy	11,411,988	61,689
Graham M. Wilson	11,213,753	259,924
Mary Ann Peters	11,409,138	61,539

Item 2. Amendment of the Company's 1989 Restated Stock Option Plan:

For	Against	Abstain	Broker Non-Votes
5,735,269	1,902,883	27,262	3,808,263

Item 3. Ratify Deloitte & Touche LLP as Independent Auditors:

For	Against	Abstain	Broker Non-Votes
11,466,344	2,345	4,988	-

Item 6: Exhibits and Reports on Form 8-K

a) Exhibits

Exhibit 11 - Statement re Computation of Earnings per Share

Exhibit 27 - Financial Data Schedule

b) Reports on Form 8-K

One report on Form 8-K, dated May 2, 1997, was filed during the quarter ended June 30, 1997, pursuant to Items 5 and 7 of that form. The report related to the acquisition of DCI by the Company.

One report on Form 8-K, dated May 29, 1997, was filed during the quarter ended June 30, 1997, pursuant to Items 5 and 7 of that form. The report related to the class action lawsuit filed against the Company.

SIGNATURE

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

ITRON, INC.
(Registrant)

By: /s/ DAVID G. REMINGTON

David G. Remington
Vice President and
Chief Financial Officer
(Authorized Officer and Principal
Financial Officer)

Date: August 13, 1997

ITRON, INC.
STATEMENT RE COMPUTATION OF EARNINGS PER SHARE
(Unaudited, shares in thousands)

	Three months ended June 30,		Six months ended June 30.	
Primary Shares (Based on Average Price):	1997	1996	1997	1996
Weighted average number of common shares outstanding	14,256	13,282	13,838	13,242
Dilutive effect of outstanding stock options and warrants		903		911
Primary weighted average shares outstanding	14,256	14,185	13,383	14,153

	Three months ended June 30,		Six months ended June 30,	
Fully Diluted Shares (Based on Ending Price):	1997	1996	1997	1996
Weighted average number of common shares outstanding	14,256	13,282	13,838	13,242
Dilutive effect of outstanding stock options and warrants		599		626
Fully diluted weighted average shares outstanding	14,256	13,881	13,838	13,868

6-MOS
DEC-31-1997
JUN-30-1997
20,364
0
39,397
(1,214)
29,498
98,382
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(35,474)
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(3,934)
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