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

May 2, 2007
Date of Report (Date of Earliest Event Reported)

ITRON, INC.
(Exact Name of Registrant as Specified in its Charter)

Washington	000-22418	91-1011792
(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(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 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))

Item 2.02 Results of Operations and Financial Condition.

On May 2, 2007, Itron, Inc. issued a press release announcing the financial results for the three months ending March 31, 2007. A copy of this press release and accompanying financial statements are attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is filed as part of this report:

Exhibit Number	Description
99.1	Press Release dated May 2, 2007.

The information presented in this Current Report on Form 8-K may contain forward-looking statements and certain assumptions upon which such forward-looking statements are in part based. Numerous important factors, including those factors identified in Itron, Inc.'s Annual Report on Form 10-K and other of the Company's filings with the Securities and Exchange Commission, and the fact that the assumptions set forth in this Current Report on Form 8-K could prove incorrect, could cause actual results to differ materially from those contained in such forward-looking statements.

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: May 2, 2007

By: /s/ Steven M. Helmbrecht

Steven M. Helmbrecht
Sr. Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated May 2, 2007.

Exhibit 99.1

Itron Announces First Quarter Results

LIBERTY LAKE, Wash.--(BUSINESS WIRE)--May 2, 2007--Itron, Inc. (NASDAQ:ITRI), today reported financial results for its first quarter ended March 31, 2007. Highlights include:

-- Quarterly revenues of $148 million;

-- Quarterly GAAP diluted EPS of 26 cents per share;

-- Quarterly non-GAAP diluted EPS of 43 cents per share; and

-- Quarterly EBITDA of $22 million.

Financial Highlights:

Revenue -- Total revenues for the first quarter of 2007 of $148 million were approximately $7.6 million, or 5%, lower than 2006 first quarter revenues of $156 million. Hardware solutions revenues for the first quarter of $132 million were approximately $10 million, or 7%, lower than the first quarter of 2006. The 2006 first quarter hardware solutions revenues included $32 million from our contract with Progress Energy, which was completed at the end of 2006. This contract also contributed to the higher number of meters shipped during the first quarter of 2006. Standalone automated meter reading (AMR) modules were consistent from year to year. Software revenues were $2.3 million, or 17%, higher in the current quarter primarily due to increased software license revenue.

"First quarter revenues were in line with our projections and our prior discussions about lower revenue expectations in the first half of the year compared to the second half," said LeRoy Nosbaum, chairman and CEO. "We had a tough comparison this quarter given the exceptional first quarter we had last year. As we said coming into 2007, this will be an interesting year as the industry builds momentum for AMI. Our AMI development, conversion to a new ERP system in the first quarter and other activities produced some higher expenses. Obviously our highlight of the quarter was our acquisition of Actaris which brings us a diversification of revenue and a geographical platform that should allow for nice growth going forward."

Gross Margin -- Total gross margin of 41% was two percentage points lower in the first quarter of 2007 compared with the same period of 2006. The entire decline was due to lower hardware solutions gross margin which was primarily caused by lower production volumes for electricity meters and some increased warranty expense. Software solutions gross margin of 46% in the current quarter was consistent with the same period in 2006.

Operating Expenses -- Total operating expenses for the first quarter of 2007 were $52 million, an increase of approximately $4 million compared with the first quarter of 2006. Research and development expenses were higher in 2007 primarily related to our advanced metering infrastructure (AMI) initiative, OpenWay. General and administrative expenses were higher in 2007 due to expenses related to the acquisition of Actaris, increased professional services and depreciation expense associated with the new ERP system and higher expenses related to maintaining two corporate facilities, one of which is held for sale. Stock-based compensation expenses of $2.9 million were $800,000 higher than the $2.1 million in 2006.

Interest and Other Income -- Interest income of $6.1 million in the first quarter of 2007 was substantially higher than the $362,000 in the comparable period of 2006. The increased interest income in 2007 was due to interest earned on the investment of net proceeds from our $345 million convertible debt issuance in August of 2006 and the $235 million Private Investor Placement of Equity (PIPE) which was completed on March 1, 2007. Interest expense of $5.5 million for the first quarter of 2007 was similar to the $5.7 million in the first quarter of 2006. The first quarter of 2007 also included a foreign exchange gain of $1.6 million due to an increase in fair value for foreign exchange transactions executed in the first quarter of 2007 related to our acquisition of Actaris.

Income Taxes -- Our GAAP tax rate was 37% for the first quarter of 2007, which was substantially lower than the rate of 46% in the same quarter of 2006. The lower rate is primarily due to the renewal and extension of the federal research and development tax credit at the end of 2006 and increased deductions related to the American Jobs Creation Act of 2004.

GAAP Net Income and EPS -- Our GAAP net income and fully diluted EPS for the first quarter of 2007 was $7.2 million, or 26 cents per share, compared with $7.1 million, or 27 cents per share, in the same period in 2006.

Non-GAAP Operating Income, Net Income and EPS -- Non-GAAP operating income, which excludes amortization expense of intangibles assets, was $16 million, or 11% of revenues, in the first quarter of 2007, compared with $26 million, or 17% of revenues, in the first quarter of 2006. Non-GAAP net income and EPS of $12 million and 43 cents per share in 2007 was lower than the $13 million and 51 cents per share in the 2006 period. Non-GAAP net income and EPS include expenses for stock-based compensation and are lower in the first quarter of 2007 due to lower revenue, higher expenses and an increased number of shares outstanding in 2007. Our non-GAAP tax rates were 38% and 43% for the first quarter of 2007 and 2006, respectively.

New Order Bookings and Backlog -- New order bookings for the first quarter were $118 million, compared with $206 million in the first quarter of 2006. New order bookings in 2006 included bookings for three large mobile AMR deployments. Our first quarter 2007 book-to-bill ratio was .9 to 1. Total backlog was $376 million at March 31, 2007 compared to $392 million at December 31, 2006. Twelve month backlog of $225 million at March 31, 2007 remained level with twelve month backlog at the end of 2006.

Cash Flows from Operations -- Net cash provided by operating activities was $9 million for the first quarter of 2007, compared with $37 million in the first quarter of 2006. The decrease was primarily the result of an increase in accounts receivable due to delayed invoicing and decreased collection activity related to our conversion to a new ERP system on January 1, 2007. Earnings before interest, taxes, depreciation and amortization (EBITDA) in the first quarter of 2007, was $22 million compared with $29 million for the same period in 2006. The lower EBITDA in 2007 was due primarily to decreased operating income.

"As we indicated on our year end earnings call, our revenue has returned to a more traditional quarterly pattern, therefore so have our related financial results," said Nosbaum. "We had acceptable earnings in the first quarter while making great strategic progress with our acquisition of Actaris. We are very excited about 2007 and our prospects going forward as a larger, more diversified global company with an unmatched breadth of solutions for our customers."

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. They 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 compensation, changes in foreign exchange rates, foreign business risks and other factors which are more fully described in our Annual Report on Form 10-K for the year ended December 31, 2006 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.

Business Outlook:

The outlook information provided below and elsewhere in this release is based on information available today and includes the effect of the Actaris acquisition which closed on April 18, 2007. Itron assumes no obligation to publicly update or revise our business outlook. Our future performance involves risks and uncertainties.

For the full year 2007, we expect

-- Revenues between $1.40 billion and $1.43 billion;

-- Diluted non-GAAP EPS of between $2.60 and $2.90 (includes approximately $0.30 of stock-based compensation expense); and

-- EBITDA in excess of $230 million

Second quarter revenues are expected to be between $370 and $390 million.

Non-GAAP Financial Information:

To supplement our consolidated financial statements presented in accordance with GAAP, we use certain non-GAAP financial measures, including non-GAAP operating income, non-GAAP net income and diluted EPS and EBITDA. We provide these non-GAAP financial measures because we believe they provide greater transparency and represent supplemental information used by management in its financial and operational decision making. Specifically, these non-GAAP financial measures are provided to enhance investors' overall understanding of our current financial performance and our future anticipated performance by excluding infrequent costs associated with acquisitions. We exclude these expenses in our non-GAAP financial measures as we believe that they are a measure of our core business that is not subject to the variations of expenses associated with these infrequently occurring items. Non-GAAP performance measures should be considered in addition to, and not as a substitute for, results prepared in accordance with GAAP. Finally, our non-GAAP financial measures may be different from those reported by other companies. A more detailed discussion of why we use non-GAAP financial measures, the limitations of using such measures and reconciliations between non-GAAP and the nearest GAAP financial measures are included in this press release.

Earnings Conference Call:

Itron will host a conference call to discuss the financial results contained in this release at 1:45 p.m. (PDT) on May 2, 2007. The call will be webcast in a listen only mode and can be accessed online at www.itron.com, "Investors -- Investor Events." The live webcast will begin at 1:45 p.m. (PDT). The webcast replay will begin after the conclusion of the live call and will be available for two weeks. A telephone replay of the call will also be available approximately one hour after the conclusion of the live call, for 48 hours, and is accessible by dialing 888-203-1112 (Domestic) or 719-457-0820 (International), entering passcode # 6599584.

About Itron

Itron is a leading technology provider and critical source of knowledge to the global energy and water industries. Itron operates in two divisions; as Itron in North America and as Actaris outside of North America. Our company is the world's leading provider of metering, data collection and software solutions, with nearly 8,000 utilities worldwide relying on our technology to optimize the delivery and use of energy and water. Itron delivers industry leading solutions for electricity, gas and water utilities by offering meters; data collection and communication systems, including automated meter reading (AMR) and advanced metering infrastructure (AMI); meter data management and utility software applications; as well as comprehensive project management, installation, and consulting services. To know more, start here: www.itron.com.

Statements of operations, segment information, balance sheets, cash flow statements and reconciliations of non-GAAP financial measures to the most directly comparable financial measures follow.

ITRON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except per share data)

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
Revenues		
Sales	$135,649	$142,934
Service	12,262	12,619
Total revenues	147,911	155,553
Cost of revenues		
Sales	79,129	81,842
Service	7,457	6,937
Total cost of revenues	86,586	88,779
Gross profit	61,325	66,774
Operating expenses		
Sales and marketing	14,920	15,481
Product development	15,821	12,870
General and administrative	14,244	12,122
Amortization of intangible assets	7,040	7,313
Total operating expenses	52,025	47,786
Operating income	9,300	18,988
Other income (expense)		
Interest income	6,089	362

Interest expense	(5,497)	(5,746)
Other income (expense), net	1,508	(448)
Total other income (expense)	2,100	(5,832)
Income before income taxes	11,400	13,156
Income tax provision	(4,220)	(6,087)
Net income	$ 7,180	$ 7,069
Earnings per share		
Basic	$ 0.26	$ 0.28
Diluted	$ 0.26	$ 0.27
Weighted average number of shares outstanding		
Basic	27,198	25,057
Diluted	27,980	26,071

ITRON, INC.
SEGMENT INFORMATION

(Unaudited, in thousands)

	Three Months Ended March 31,	
	2007	2006
Revenues		
Hardware Solutions	$132,205	$142,129
Software Solutions	15,706	13,424
Total Company	$147,911	$155,553
Gross profit		
Hardware Solutions	$ 54,083	$ 60,612
Software Solutions	7,242	6,162
Total Company	$ 61,325	$ 66,774
Operating income (loss)		
Hardware Solutions	$ 34,166	$ 42,981
Software Solutions	(1,318)	(2,489)
Corporate unallocated	(23,548)	(21,504)
Total Company	$ 9,300	$ 18,988

	Three Months Ended March 31,	
	2007	2006
Unit Shipments		
Meters		
Meters with Itron AMR	500	1,200
Meters with other AMR	250	150
Meters with no AMR	400	375
Total Meters	1,150	1,725
AMR units		
AMR standalone modules	1,200	1,075
Licensed AMR (other vendors' meters)	-	125
Total AMR units	1,200	1,200
Total Itron AMR units	1,700	2,400

ITRON, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands)

	March 31, 2007	Dec. 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	$ 621,871	$ 361,405
Short-term investments, held to maturity	-	34,583
Accounts receivable, net	124,227	109,924
Inventories	50,734	52,496
Deferred income taxes, net	20,278	20,916
Other	23,087	17,121
Total current assets	840,197	596,445
Property, plant and equipment, net	87,833	88,689
Intangible assets, net	104,761	112,682
Goodwill	127,248	126,266
Deferred income taxes, net	52,701	47,400
Other	26,398	17,040
Total assets	$1,239,138	$ 988,522
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 50,361	$ 43,922
Wages and benefits payable	18,918	24,214
Current portion of warranty	9,440	7,999
Unearned revenue	25,306	27,449
Total current liabilities	104,025	103,584
Long-term debt	469,349	469,324
Warranty	10,400	10,149
Contingent purchase price	6,272	5,879
Other obligations	16,265	8,604
Total liabilities	606,311	597,540
Commitments and contingencies		
Shareholders' equity		
Preferred stock	-	-
Common stock	585,451	351,018
Accumulated other comprehensive income, net	1,820	1,588
Retained earnings	45,556	38,376
Total shareholders' equity	632,827	390,982
Total liabilities and shareholders' equity	$1,239,138	$ 988,522

ITRON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, in thousands)

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
Operating activities		
Net income	$ 7,180	$ 7,069
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,460	10,938
Employee stock plans income tax benefits	1,969	5,366
Excess tax benefits from stock-based compensation	(1,611)	(4,280)
Stock-based compensation	2,876	2,053
Amortization of prepaid debt fees	758	2,772

Deferred income taxes, net	1,684	236
Unrealized gain on foreign currency contracts	(1,557)	-
Other, net	(432)	424
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(14,303)	20,791
Inventories	1,668	(3,058)
Accounts payable and accrued expenses	8,963	2,644
Wages and benefits payable	(5,296)	(4,612)
Unearned revenue	(2,006)	1,452
Warranty	1,692	(165)
Other long-term obligations	200	(470)
Other, net	(4,471)	(3,768)
Net cash provided by operating activities	8,774	37,392
Investing activities		
Proceeds from the maturities of investments, held to maturity	35,000	-
Acquisitions of property, plant and equipment	(8,622)	(6,251)
Business acquisitions, net of cash and cash equivalents acquired	(149)	-
Deferred pre-acquisition costs	(5,821)	-
Other, net	85	295
Net cash provided by (used in) investing activities	20,493	(5,956)
Financing activities		
Payments on debt	-	(34,885)
Issuance of common stock	229,588	6,192
Excess tax benefits from stock-based compensation	1,611	4,280
Net cash provided by (used in) financing activities	231,199	(24,413)
Increase in cash and cash equivalents	260,466	7,023
Cash and cash equivalents at beginning of period	361,405	33,638
Cash and cash equivalents at end of period	$621,871	$ 40,661

Itron, Inc.

About Non-GAAP Financial Measures

The accompanying press release dated May 2, 2007 contains non-GAAP financial measures. To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, including non-GAAP operating income, non-GAAP net income and EPS and EBITDA. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures please see the table captioned "Reconciliations of non-GAAP Financial Measures to Most Directly Comparable GAAP Financial Measures" information following.

We use these non-GAAP financial measures for financial and operational decision making and as a means for determining executive compensation. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and ability to service debt by excluding certain expenses that may not be indicative of our recurring core operating results. Our executive compensation plans exclude non-cash charges related to amortization of intangibles and non-recurring discrete cash and non-cash charges that are infrequent in nature such as in-process research and development or purchase accounting adjustments. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and ability to service debt as well as comparisons to our competitor's operating results. We believe these non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making and because they are used by our institutional investors and the analyst community to help them analyze the health of our business.

Non-GAAP operating income -- We define non-GAAP operating income as operating income minus amortization of intangible expenses. We consider this non-GAAP financial measure to be a useful metric for management and investors because it excludes the effects of expenses that are related to previous acquisitions. By excluding these expenses we believe that it is easier for management and investors to compare our financial results over multiple periods. We believe that excluding amortization of intangible assets enables management and investors to analyze trends in our operations. For example, expenses related to amortization of intangible assets has been decreasing, which is improving GAAP operating margins, yet the improvement in GAAP operating margins due to this lower expense is not reflective of an improvement in our core business. There are some limitations related to the use of non-GAAP operating income versus operating income calculated in accordance with GAAP. Non-GAAP operating income excludes some costs that are recurring. Additionally, the expenses that we exclude in our calculation of non-GAAP operating income may differ from the expenses that our peer companies exclude when they report the results of their operations. We compensate for these limitations by providing specific information about the GAAP amounts we have excluded from our non-GAAP operating income and evaluating non-GAAP operating income together with GAAP operating income.

Non-GAAP net income and non-GAAP EPS -- We define non-GAAP net income as net income minus the expenses associated with amortization of intangible assets and amortization of debt fees as well as the tax effects of each item. We define non-GAAP EPS as non-GAAP net income divided by the weighted average shares, on a fully diluted basis, outstanding as of the end of each period. We consider these financial measures to be a useful metric for management and investors for the same reasons that we use non-GAAP operating income. The same limitations described above regarding our use of non-GAAP operating income apply to our use of non-GAAP net income and non-GAAP EPS. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from non-GAAP net income and non-GAAP EPS and evaluating non-GAAP net income and non-GAAP EPS together with GAAP net income and EPS.

EBITDA -- We define EBITDA as net income minus interest income, plus interest expense, tax expense and depreciation and amortization expenses. We feel that providing this financial measure is important for management and investors to understand our ability to service our debt and is a measure of the cash generated by our core business. Management uses EBITDA as a performance measure for executive compensation. A limitation to using EBITDA is that it does not represent the total increase or decrease in the cash balance for the period and the measure includes some non-cash items and excludes other non-cash items. Additionally, the expenses that we exclude in our calculation of EBITDA may differ from the expenses that our peer companies exclude when they report the results. Management compensates for this limitation by providing a reconciliation of this measure to GAAP net income.

The accompanying tables have more detail on the GAAP financial measures that are most directly comparable to the non-GAAP financial measures and the related reconciliations between these financial measures.

ITRON, INC.
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES
TO MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES

(Unaudited, in thousands, except per share data)

	Three Months Ended March 31,	
	2007	2006
Non-GAAP Operating Income:		
GAAP operating income	$ 9,300	$18,988
Amortization of intangible assets	7,040	7,313
Non-GAAP operating income	$16,340	$26,301
Non-GAAP Net Income:		
GAAP net income	$ 7,180	$ 7,069
Amortization of intangible assets	7,040	7,313
Amortization of debt placement fees	742	2,735
Income tax effect of non-GAAP adjustments	(2,975)	(3,898)
Non-GAAP net income	$11,987	$13,219
Non-GAAP diluted EPS	$ 0.43	$ 0.51

Shares used in diluted EPS	27,980	26,071

EBITDA:

GAAP net income	$ 7,180	$ 7,069
Interest income	(6,089)	(362)
Interest expense	5,497	5,746
Income tax provision	4,220	6,087
Depreciation and amortization	11,460	10,938
EBITDA	$22,268	$29,478

See "About non-GAAP Financial Measures" immediately preceding this table for information on these measures, the items excluded from the most directly comparable GAAP measures in arriving at non-GAAP financial measures and the reasons that management uses each measure and excludes the specified amounts in arriving at each non-GAAP financial measure.

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