



Itron Reports Stronger than Expected First Quarter 2002 Results

Cash generated from operations was \$6.6 million during the quarter.

During the quarter, we paid a discounted amount of approximately \$4.9 million to satisfy in full the mortgage note incurred when we purchased our Spokane facility. The early retirement of the debt resulted in an extraordinary gain of \$125,000, net of income taxes.

We completed a \$35 million line of credit facility with a new bank with improved terms and conditions and eliminated a \$5.1 million restriction on cash.

During the quarter, we issued a redemption notice for approximately \$15.0 million of our convertible debt. All of the holders of the debt have elected to convert and we expect to issue approximately 1.6 million shares to retire the debt.

New order bookings were \$38 million. Total backlog was \$202 million at March 31, 2002 and twelve-month backlog was \$112 million.

We shipped approximately 850,000 AMR meter modules during the quarter compared to approximately 580,000 in the first quarter of last year.