

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>SENSUS USA INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>01/01/2004</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>SENSUS USA INC.</u> <u>8601 SIX FORKS RD STE 700</u> <u>RALEIGH, NC 27615-2963</u>	2b Employer Identification Number (EIN) <u>51-0338883</u> 2c Sponsor's telephone number <u>919-845-4011</u> 2d Business code (see instructions) <u>339900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/04/2012</u>	<u>JOWITA STEPIEN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/04/2012</u>	<u>JOWITA STEPIEN</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SENSUS USA INC. 8601 SIX FORKS RD STE 700 RALEIGH, NC 27615-2963	3b Administrator's EIN 51-0338883 3c Administrator's telephone number 919-845-4011
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name SENSUS METERING SYSTEMS INC.	4b EIN	4c PN
5 Total number of participants at the beginning of the plan year	5	1479
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	1303
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	142
d Subtotal. Add lines 6a , 6b , and 6c	6d	1445
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	5
f Total. Add lines 6d and 6e	6f	1450
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1332
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	9
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3C 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ 1 **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning **01/01/2011** and ending **12/31/2011**

A Name of plan SENSUS USA INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 SENSUS USA INC.	D Employer Identification Number (EIN) 51-0338883	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	800963	1450	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
35597	56129

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

LOCKTON FINANCIAL ADVISORS LLC
 DEPT 999225
 PO BOX 219153
 KANSAS CITY, MO 64121-9153

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
35597	23717	REFERRAL/SERVICE FEE	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

LOCKTON FINANCIAL ADVISORS LLC
 C/O UMB BANK
 PO BOX 878188
 KANSAS CITY, MO 64187-8188

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	32412	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	0
5 Current value of plan's interest under this contract in separate accounts at year end	5	29932928

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add b and c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract e(5) from d)	7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan SENSUS USA INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 SENSUS USA INC.	D Employer Identification Number (EIN) 51-0338883

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	15260	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>SENSUS USA INC. 401(K) PLAN</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>SENSUS USA INC.</u>	D Employer Identification Number (EIN) <u>51-0338883</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INTL EM MKT SEP ACCT-I3</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-013</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4681455</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN U.S. PROPERTY SA-I5</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-027</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>666475</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-I4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3237504</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN SMCAP S&P 600 INDEX SA-I4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-028</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2212284</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP S&P 400 IDX SA-I4</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-023</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2284285</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LIFETM 2010 SEP ACCT-I3</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-075</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1463096</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LIFETM 2020 SEP ACCT-I3</u>			
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>			
c EIN-PN <u>42-0127290-076</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>6233646</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM 2030 SEP ACCT-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-077	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5141032
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM 2040 SEP ACCT-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-078	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2792636
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM 2050 SEP ACCT-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-079	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 783168
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM STR INC SA-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-080	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 437348
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRINCIPAL STABLE VALUE SELECT](#)
b Name of sponsor of entity listed in (a): [UNION BOND & TRUST COMPANY](#)

c EIN-PN 93-6274328-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12911454
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a Name of MTIA, CCT, PSA, or 103-12 IE:
b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>SENSUS USA INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SENSUS USA INC.</u>	D Employer Identification Number (EIN) <u>51-0338883</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	5495
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1436028	1486940
(9) Value of interest in common/collective trusts.....	1c(9)	12823784	12911454
(10) Value of interest in pooled separate accounts.....	1c(10)	30156629	29932928
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	22119690	23392215
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	66536131	67729032

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	66536131	67729032
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2817035	
(B) Participants	2a(1)(B)	6030058	
(C) Others (including rollovers)	2a(1)(C)	1392136	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		10239229

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	67976	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		67976

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	303115	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		303115

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		265489
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-1229352
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-1032969
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		8613488

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7405326	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		7405326
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	15261	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		15261
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7420587

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1192901
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HUGHES PITTMAN & GUPTON, LLP

(2) EIN: 56-1415202

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	0
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	0
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	0
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>SENSUS USA INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SENSUS USA INC.</u>	D Employer Identification Number (EIN) <u>51-0338883</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-0127290</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**Hughes Pittman & Gupton, LLP**

1500 Sunday Drive, Suite 300

Raleigh, North Carolina 27607

919.232.5900 919.232.5901 fax

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October 3, 2012

Benefits Committee
Sensus USA Inc. 401(k) Plan

We have completed a Department of Labor (“DOL”) limited-scope audit of the financial statements of Sensus USA Inc. 401(k) Plan (the “Plan”) for the year ended December 31, 2011 and have issued our report thereon dated October 3, 2012. As permitted by 29 CFR 2520.103-8 of the DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and schedule taken as a whole.

We did, however, audit the form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our meeting about planning matters. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 30, 2012, our responsibility, as described by professional standards and except as discussed in the first paragraph, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit and except that we did not, as part of the scope limitation disclosed in the first paragraph, include a consideration of internal control relating to the information summarized in Note 3 to those financial statements, we considered Sensus USA Inc. 401(k) Plan's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Sensus USA Inc. 401(k) Plan are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2011. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements identified.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 3, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Plan’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control Matters

Our consideration of internal control was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. We consider the following to be a control deficiency.

Oversight and Segregation of Duties

- Finding** Over the past two years there have been significant changes to the personnel who administer the Company’s benefit plan. As personnel roles have been reassigned, key controls have been eliminated, including segregation of duties and oversight procedures. Areas currently needing an additional level of review include:
- Processing employee’s benefits elections made on the Principal Life Insurance Company’s (“Principal”) website through payroll.
 - Reconciling contributions submitted to Principal to payroll withholdings by source and by participant.

- Ensuring participant requests, including distributions, through the Principal website are within Plan specifications.
- Reviewing service provider's SOC 1 Type II reports for an understanding of relied-upon user controls and the design and effectiveness of controls relied upon at the provider.

Recommendation It is important that the Company reassess how the changes to personnel affect the controls over the administration and financial reporting of the Plan. We recommend that when transitions happen, internal control documentation should be reviewed and updated to reflect the current personnel structure. The assessment should include detailed procedures which ensure that the Plan is operating as intended and that control risks have been appropriately addressed at all times.

Value Having controls and procedures that are appropriate for the current administration of the Plan will make sure that effective internal controls over the financial reporting process are in place and the Plan Sponsor is meeting its fiduciary responsibility to the participants.

* * * * *

This information is intended solely for the use of the Benefits Committee and management of Sensus USA Inc. 401(k) Plan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Hugher Pittman & Gupta, LLP

Raleigh, North Carolina

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SENSUS USA INC. 401(K) PLAN

EIN 51 0338883

PLAN NUMBER 001

PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	The American Funds	Registered Investment Company AM FDS EUROPACIFIC GRTH R4 FD	\$ 0.00	\$ 2,962,961.48
	Baron	Registered Investment Company Baron Small Cap Fund	\$ 0.00	\$ 1,576,297.93
	Columbia Funds	Registered Investment Company COLUMBIA MIDCAP VALUE Z FUND	\$ 0.00	\$ 1,693,163.43
	Columbia Funds	Registered Investment Company COLUMBIA SMCAP VALUE II Z FUND	\$ 0.00	\$ 805,578.90
	Franklin Templeton Investments	Registered Investment Company FRANKLIN GROWTH ADV FUND	\$ 0.00	\$ 3,215,023.39
	Munder	Registered Investment Company MUNDER MIDCAP CORE GROWTH Y FD	\$ 0.00	\$ 2,998,887.59
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl Em Mkt Sep Acct-I3	\$ 0.00	\$ 4,681,455.05
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-I4	\$ 0.00	\$ 3,237,503.72
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm Str Inc SA-I3	\$ 0.00	\$ 437,348.48
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2010 Sep Acct-I3	\$ 0.00	\$ 1,463,096.24
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2020 Sep Acct-I3	\$ 0.00	\$ 6,233,646.04
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2030 Sep Acct-I3	\$ 0.00	\$ 5,141,032.17
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2040 Sep Acct-I3	\$ 0.00	\$ 2,792,635.69
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2050 Sep Acct-I3	\$ 0.00	\$ 783,167.61
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-I4	\$ 0.00	\$ 2,284,285.18

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN 51 038883
 PLAN NUMBER 001
 PLAN YEAR 01/01/2011 TO 12/31/2011

[illegible]

SENSUS USA INC. 401(K) PLAN

Financial Statements

December 31, 2011 and 2010

SENSUS USA INC. 401(K) PLAN

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December 31, 2011 and 2010

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**Hughes Pittman & Gupton, LLP**

1500 Sunday Drive, Suite 300

Raleigh, North Carolina 27607

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Independent Auditors' Report

Benefits Committee
Sensus USA Inc. 401(k) Plan
Raleigh, North Carolina

We were engaged to audit the accompanying statements of net assets available for benefits of the Sensus USA Inc. 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the schedule as of December 31, 2011, as listed in the accompanying table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Principal Life Insurance Company and Delaware Charter Guarantee & Trust Company, d/b/a Principal Trust Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements and schedule. We have been informed by the plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from the custodians as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the custodians is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedule taken as a whole. The schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Hughes Pittman & Gupton, LLP

October 3, 2012

SENSUS USA INC. 401(K) PLAN

Statements of Net Assets Available for Benefits

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Investments at fair value	<u>\$ 66,236,597</u>	<u>65,100,102</u>
Receivables:		
Employer's contributions	5,495	-
Notes receivable from participants	<u>1,486,940</u>	<u>1,436,029</u>
Total receivables	<u>1,492,435</u>	<u>1,436,029</u>
Net assets available for benefits at fair value	67,729,032	66,536,131
Adjustment from fair value to contract value for fully- benefit-responsive investment contracts	<u>(293,388)</u>	<u>(256,671)</u>
Net assets available for benefits	<u><u>\$ 67,435,644</u></u>	<u><u>66,279,460</u></u>

See accompanying notes to financial statements

SENSUS USA INC. 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2011

Additions

Additions to net assets attributed to:

Investment activity:

Net depreciation in fair value of investments	\$ (2,033,550)
Dividends	303,115

Interest income on notes receivable from participants	67,976
---	--------

Contributions:

Participants'	6,030,058
Participants' rollovers	1,392,136
Employer's	2,817,036

Total contributions	<u>10,239,230</u>
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Total additions	<u>8,576,771</u>
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Deductions

Deductions from net assets attributed to:

Benefits paid to participants	7,405,326
Administrative expenses	<u>15,261</u>

Total deductions	<u>7,420,587</u>
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Net increase	1,156,184
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Net assets available for benefits as of beginning of year	<u>66,279,460</u>
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Net assets available for benefits as of end of year	<u><u>\$ 67,435,644</u></u>
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SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN

The following description of the Sensus USA Inc. 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan’s provisions.

General

On January 1, 2004, Sensus USA Inc. established a salary deferral plan under Section 401(k) of the Internal Revenue Code (the “IRC”). The Plan was created for employees who formerly participated in the Rockwell International, Inc., BTR plc, and Invensys plc defined contribution plans. Those employees were permitted to roll over their existing plan assets to the Plan. Effective January 1, 2006, the Plan was restated. The restated Plan continues to be for the exclusive benefit of eligible employees, and all employees covered under the previous plan shall continue to be covered under the restated Plan with no loss of benefits. Eligible plan participants include employees of the following adopting employers: Sensus USA Inc., Sensus Metering Systems - North America, Inc., Smith-Blair, Inc., Sensus Metering Headquarters Corporation, Sensus Precision Die Casting, Inc., and Measurement Solutions International-Northeast, LLC. The Plan is a defined contribution plan, covering substantially all employees of the adopting employers noted above (the “Company”). Eligible employees of the Plan include non-union employees, hourly paid union employees and employees in union probation period of Sensus Precision Die Casting, Inc., and hourly paid union employees and employees in union probation period of Smith-Blair, Inc. During 2011 and 2010, the Company’s management served as the Plan’s trustee and Principal Life Insurance Company and Delaware Charter Guarantee & Trust Company, d/b/a Principal Trust Company, served as the Plan’s custodians (the “Custodians”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN (continued)

Contributions

Each year, union employees of Smith-Blair, Inc. who participate in the Plan may elect to contribute up to 25% of their compensation as defined in the Plan on a pre-tax basis up to an amount which will not violate provisions of the Plan or exceed the maximum contributions allowed by the IRC. Union employees of Sensus Precision Die Casting, Inc. who participate in the Plan may elect to contribute up to 18% of their compensation as defined in the Plan, and all other employees who participate in the Plan may elect to contribute up to 50% of their compensation as defined in the Plan. Effective January 1, 2008, the Plan was amended to include automatic enrollment. Based on the amendment, newly hired employees will be automatically enrolled in the Plan when the employee first becomes eligible to participate. The automatic elective deferral contribution is 3% of compensation. The participant may affirmatively elect a different percentage or elect not to make elective deferral contributions. Participants who have attained the age of 50 before the end of the Plan's year end are eligible to make catch-up contributions. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a common/collective trust fund, mutual funds, and a series of varied risk pooled separate accounts as investment options for participants. The Company matches 100% of the first 3% of eligible compensation and then 50% from 3% to 5% of eligible compensation. Company match receivables totaling \$5,495 were recorded as of December 31, 2011, and there were no company match receivables as of December 31, 2010.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, if any, and (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Non-union employees are 100% vested in the Company's contribution portion of their accounts plus actual earnings thereon. Hourly paid union employees of Smith-Blair, Inc., hourly paid union employees of Sensus Precision Die Casting, Inc., and employees in the union probation period are vested in the Company's contribution portion of their accounts plus actual earnings thereon based on years of continuous service as follows:

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN (continued)

Years of Service for Vesting Purposes	Percentage Vested
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. Loan terms range from one to five years, unless for the purchase of a primary residence in which the repayment period is not to exceed 30 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates at the time of the loan. Principal and interest are paid ratably through payroll deductions. A participant may have only one loan outstanding at any time.

Payment of Benefits

A participant is entitled to distributions under the Plan the later date of (a) when such participant attains their 65th birthday (the normal retirement date); (b) the tenth anniversary of the participant's entry date; (c) in the event of the death of the participant before retirement or other termination of employment; or (d) in the event of a financial hardship as defined by the Plan.

Participants entitled to distributions will receive their distributions in the form of a single sum payment.

Benefits are recorded when paid.

Forfeited Accounts

Forfeitures represent nonvested matching or profit sharing contributions of participants who have terminated their employment with the Company. Forfeitures are first applied to pay administrative expenses, and then applied to reduce employer contributions. As of December 31, 2011 and 2010, forfeited nonvested accounts totaled \$7,110 and \$2,328.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 1: DESCRIPTION OF PLAN (concluded)

Administrative Expenses

Administrative expenses, except for certain loan and custodial expenses, of the Plan are paid by the Company.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting in conformity with United States Generally Accepted Accounting Principles ("U.S. GAAP").

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The Plan's administrator has evaluated subsequent events through October 3, 2012, the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY CUSTODIANS

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held as of December 31, 2011 and 2010, and net depreciation in fair value of investments, interest, and dividends for 2011 were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the Custodians.

	<u>2011</u>	<u>2010</u>
Investments, at fair value:		
Common/collective trust fund	\$ 12,911,454	12,823,784
Pooled separate accounts	29,932,928	30,156,628
Mutual funds	23,392,215	22,119,690
	<u>\$ 66,236,597</u>	<u>65,100,102</u>
 Total investments		
	<u>\$ 1,486,940</u>	<u>1,436,029</u>
 Notes receivable from participants		
	<u>\$ (1,730,435)</u>	
 Total investment loss		
	<u>\$ 67,976</u>	
 Interest income on notes receivable from participants		

The Custodians also certified as complete and accurate the common/collective trust fund at contract value of \$12,618,066 as of December 31, 2011 and \$12,567,113 as of December 31, 2010.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 3: INFORMATION PREPARED AND CERTIFIED BY CUSTODIANS (concluded)

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information included in the financial statements and supplemental schedule.

NOTE 4: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("FASB ASC 820"), provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820's framework are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of an input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of the observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of December 31, 2011 and 2010.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 4: FAIR VALUE MEASUREMENTS (continued)

Mutual funds - Valued at the net asset value (“NAV”) of shares held by the Plan at year end, which is the quoted market price.

Common/collective trust fund - Valued at NAV based on the market value of the underlying investments. The fund contains synthetic investment contracts comprised of both underlying investment and contractual components which have observable level 1 or level 2 pricing inputs, including quoted prices for similar assets in active or non-active markets.

Pooled separate accounts - Valued at NAV based on the market value of the underlying investments, such as equities, preferred stock, bonds, real estate, and mutual funds. The majority of the underlying securities have observable level 1 quoted pricing inputs. While the underlying asset values are quoted prices, the NAV of a pooled separate account is not publicly quoted.

The Plan holds an investment in a pooled separate account that invests mainly in commercial real estate and includes mortgage loans, which are backed by the associated properties. Until March 25, 2011, this separate account had a temporary withdrawal limitation related to past turmoil in the credit markets that resulted in a sharp slowdown in the sale of commercial real estate assets over the last several years. The uncertain environment led to significantly increased requests for withdrawals. To allow for orderly administration and management benefiting all separate account investors, Principal Life Insurance Company implemented a pre-existing contractual limitation to delay certain withdrawal requests. Due to the redemption restrictions, the investment had been categorized as a level 3 investment. When the withdrawal restrictions were lifted on this separate account on March 25, 2011, the separate account investors were able to redeem the investment at NAV as of the measurement date, so the investment as of December 31, 2011 is categorized as a level 2 investment.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 4: FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

	2011			
	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large United States equity	\$ 5,594,873	-	-	5,594,873
Small/mid United States equity	7,073,928	-	-	7,073,928
International equity	2,962,961	-	-	2,962,961
Fixed income	7,760,453	-	-	7,760,453
Total mutual funds	23,392,215	-	-	23,392,215
Pooled separate accounts:				
Large United States equity	-	3,237,504	-	3,237,504
Small/mid United States equity	-	4,496,568	-	4,496,568
International equity	-	4,681,455	-	4,681,455
Balanced/asset allocation	-	16,850,926	-	16,850,926
Fixed income	-	666,475	-	666,475
Total pooled separate accounts	-	29,932,928	-	29,932,928
Common/collective trust fund	-	12,911,454	-	12,911,454
Total investments at fair value	\$ 23,392,215	42,844,382	-	66,236,597

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 4: FAIR VALUE MEASUREMENTS (continued)

	2010			
	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large United States equity	\$ 6,016,332	-	-	6,016,332
Small/mid United States equity	6,480,498	-	-	6,480,498
International equity	3,305,756	-	-	3,305,756
Fixed income	6,317,104	-	-	6,317,104
Total mutual funds	22,119,690	-	-	22,119,690
Pooled separate accounts:				
Large United States equity	-	2,695,491	-	2,695,491
Small/mid United States equity	-	4,983,545	-	4,983,545
International equity	-	6,290,414	-	6,290,414
Balanced/asset allocation	-	15,537,908	-	15,537,908
Fixed income	-	-	649,270	649,270
Total pooled separate accounts	-	29,507,358	649,270	30,156,628
Common/collective trust fund	-	12,823,784	-	12,823,784
Total investments at fair value	\$ 22,119,690	42,331,142	649,270	65,100,102

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 4: FAIR VALUE MEASUREMENTS (concluded)

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's level 3 investments for the year ended December 31, 2011:

	Level 3 Investments Pooled Separate Account
Balance, beginning of year	\$ 649,270
Total gains recognized in earnings	17,940
Settlements	(10,099)
Transfer to level 2*	<u>(657,111)</u>
Balance, end of year	<u><u>\$ -</u></u>

* See discussion on change in status for pooled separate account that invests in commercial real estate on page 10.

NOTE 5: INVESTMENTS

The following presents the fair value of individual investments that represent 5% or more of the Plan's net assets as of December 31 of the respective years:

	2011	2010
Common/collective trust fund:		
Principal Stable Value Select Fund, 677,289 and 687,641 shares	\$ 12,911,454	12,823,784
Pooled separate accounts:		
Principal Lifetime 2020 Separate Account, 378,468 and 357,136 shares	6,233,646	5,856,453
Principal International Emerging Markets Separate Account, 89,145 and 108,191 shares	4,681,455	6,290,414
Principal Lifetime 2030 Separate Account, 320,030 and 284,308 shares	5,141,032	4,599,231
Mutual funds:		
PIMCO Total Return A Fund, 713,933 and 582,222 shares	7,760,453	6,317,104
American Funds Growth Fund of America R3 Fund, 114,170 shares	*	3,422,819

* Amounts not greater than 5% of the Plan's net assets.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 5: INVESTMENTS (concluded)

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by:

Common/collective trust fund	\$ 228,772
Pooled separate accounts	(1,229,353)
Mutual funds	<u>(1,032,969)</u>
Net depreciation in fair value of investments	<u>\$ (2,033,550)</u>

Certain plan participants invest in the Principal Stable Value Select Fund, a fully benefit-responsive investment contract, with Principal Life Insurance Company (the "Custodian"). The Custodian maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

The contract is included in the statements of net assets available for benefits at fair value. The adjustment from fair value to contract value for the Principal Stable Value Select Fund is based on the contract value as reported to the Plan by the Custodian. Contract value represents contributions made under the contract, plus earnings and less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The fair value as of December 31, 2011 was \$12,911,454 and as of December 31, 2010 was \$12,823,784. The crediting interest rates were 2.14% for 2011 and 2.81% for 2010. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on a quarterly basis for resetting. The average yield interest rates were approximately 2.42% for 2011 and 2.82% for 2010.

Certain events, such as the premature termination of the contract by the Plan or the termination of the Plan, would limit the Plan's ability to transact at contract value with the Custodian. The plan administrator believes the occurrence of such events that would limit the Plan's ability to transact at contract value with plan participants is not probable.

NOTE 6: RELATED-PARTY TRANSACTIONS

The Plan invests in certain funds managed by the Custodians. Therefore, transactions related to these funds qualify as party-in-interest transactions that are allowable under ERISA.

The Plan does not consider any Company contributions to the Plan to be party-in-interest transactions. The Company provides certain accounting, administrative, and investment management services to the Plan for which no fees are charged.

SENSUS USA INC. 401(K) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

NOTE 7: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2011	2010
Net assets available for benefits per the financial statements	\$ 67,435,644	66,279,460
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	293,388	256,671
Net assets available for benefits per the Form 5500	<u>\$ 67,729,032</u>	<u>66,536,131</u>

The following is a reconciliation of net increase in net assets available for benefits made to the Plan per the financial statements for the year ended December 31, 2011 to the Form 5500:

Net increase in net assets available for benefits per the financial statements	\$ 1,156,184
Cumulative adjustment from contract value to fair value for fully benefit-responsive investment contracts	<u>36,717</u>
Net increase in net assets available for benefits per the Form 5500	<u>\$ 1,192,901</u>

The difference between net increase in net assets available for benefits per the Plan's financial statements and net increase in net assets available for benefits per the Form 5500 is because the financial statements were prepared using the contract value for fully benefit-responsive investment contracts, and the Form 5500 was prepared using the fair value for fully benefit-responsive investment contracts.

NOTE 8: INCOME TAX STATUS

The Plan obtained its latest determination letter on December 15, 2005, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Federal and state tax authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

SENSUS USA INC. 401(K) PLAN

EIN: 51-0338883

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets Held at End of Year

December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Principal Life Insurance Company - Pooled Separate Accounts			
		Principal Large Cap S&P 500 Index Separate Account	**	\$ 3,237,504
		Principal Mid-Cap S&P 400 Index Separate Account	**	2,284,285
		Principal Small-Cap S&P 600 Index Separate Account	**	2,212,283
		Principal International Emerging Markets Separate Account	**	4,681,455
		Principal Lifetime 2010 Separate Account	**	1,463,096
		Principal Lifetime 2020 Separate Account	**	6,233,646
		Principal Lifetime 2030 Separate Account	**	5,141,032
		Principal Lifetime 2040 Separate Account	**	2,792,636
		Principal Lifetime 2050 Separate Account	**	783,168
		Principal Lifetime Str Inc Separate Account	**	437,348
		Principal US Property Sep Account	**	666,475
*	Delaware Charter Guarantee & Trust Company - Mutual Funds			
		PIMCO Total Return A Fund	**	7,760,453
		American Funds EuroPacific Growth R3 Fund	**	2,962,961
		Baron Small Cap Fund	**	1,576,298
		Columbia MidCap Value A Fund	**	1,693,163
		Columbia Small Cap Value II A Fund	**	805,579
		Munder Mid-Cap Core Growth A Fund	**	2,998,888
		Franklin Growth Advantage Fund	**	3,215,023
		Vanguard Value Index Signal Fund	**	2,379,850
*	Delaware Charter Guarantee & Trust Company - Common/ Collective Trust Fund			
		Principal Stable Value Select Fund	**	12,911,454

SENSUS USA INC. 401(K) PLAN

EIN: 51-0338883

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets Held at End of Year

December 31, 2011

Schedule 1

(concluded)

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value		Current Value
*	Participant Loans	Loans with rates ranging between 4.25% and 9.25%	**	<u>1,486,940</u>
		Total investments		<u><u>\$ 67,723,537</u></u>

* Denotes party-in-interest

** Cost omitted for participant directed investments

Note: Information in this schedule has been certified as complete and accurate by the Custodians.