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| <p>Form 5500</p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p> | <p>Annual Return/Report of Employee Benefit Plan</p> <p>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).</p> <p>▶ Complete all entries in accordance with the instructions to the Form 5500.</p> | <p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: 24pt; font-weight: bold;">2011</p> <hr/> <p>This Form is Open to Public Inspection</p> |
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| 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: | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____ |
| B This return/report is: | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| C If the plan is a collectively-bargained plan, check here. | <input type="checkbox"/> |
| D Check box if filing under: | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description) |

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| Part II | Basic Plan Information —enter all requested information |
| <p>1a Name of plan <u>ITRON, INC. INCENTIVE SAVINGS PLAN</u></p> <hr/> <p>2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)</p> <p><u>ITRON, INC.</u></p> <p><u>2111 N. MOLTER ROAD</u> <u>2111 N. MOLTER ROAD</u> <u>LIBERTY LAKE, WA 99019</u> <u>LIBERTY LAKE, WA 99019</u></p> | <p>1b Three-digit plan number (PN) ▶ <u>001</u></p> <hr/> <p>1c Effective date of plan <u>03/31/1985</u></p> <hr/> <p>2b Employer Identification Number (EIN) <u>91-1011792</u></p> <hr/> <p>2c Sponsor's telephone number <u>509-891-3071</u></p> <hr/> <p>2d Business code (see instructions) <u>334500</u></p> |

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 | Filed with authorized/valid electronic signature. | 10/05/2012 | DARREN RIEGER |
| | Signature of plan administrator | Date | Enter name of individual signing as plan administrator |
| SIGN HERE | | | |
| | 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

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|---|---|
| 3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ITRON, INC. 2111 N. MOLTER ROAD LIBERTY LAKE, WA 99019 | 3b Administrator's EIN 91-1011792 3c Administrator's telephone number 509-891-3071 |
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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 | 4b EIN 4c PN |
|---|-----------------------------------|

| | | |
|--|-----------|------|
| 5 Total number of participants at the beginning of the plan year | 5 | 3323 |
| 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 | 2726 |
| b Retired or separated participants receiving benefits..... | 6b | 9 |
| c Other retired or separated participants entitled to future benefits..... | 6c | 521 |
| d Subtotal. Add lines 6a, 6b, and 6c..... | 6d | 3256 |
| e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... | 6e | 11 |
| f Total. Add lines 6d and 6e..... | 6f | 3267 |
| g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... | 6g | 3061 |
| h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested..... | 6h | 174 |
| 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 2H 2I 2K 2S 2T 3I 2R

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) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor | 9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules) |
|--|--|

| | | |
|---|---|---|
| <p style="text-align: center;">SCHEDULE C (Form 5500)</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: small;">Pension Benefit Guaranty Corporation</p> | <p>Service Provider Information</p> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p>▶ File as an attachment to Form 5500.</p> | <p>OMB No. 1210-0110</p> <hr/> <p style="font-size: large;">2011</p> <hr/> <p>This Form is Open to Public Inspection.</p> |
|---|---|---|

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

| | | |
|---|--|-------------------|
| <p>A Name of plan <u>ITRON, INC. INCENTIVE SAVINGS PLAN</u></p> | <p>B Three-digit plan number (PN) ▶</p> | <p><u>001</u></p> |
| <p>C Plan sponsor's name as shown on line 2a of Form 5500 <u>ITRON, INC.</u></p> | <p>D Employer Identification Number (EIN) <u>91-1011792</u></p> | |

Part I Service Provider Information (see instructions)

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

TRP STABLE VALUE FUND

52-1309931

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

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

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

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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (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? |
|------------------------|---|--|--|--|---|--|
| 64 37 65 71 60 | RECORDKEEPER | 31354 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | 0 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

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

UBS FINANCIAL SERVICES, INC.

13-2638166

| (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? |
|------------------------|---|--|--|--|---|--|
| 27 | INVESTMENT ADVISORY PLAN | 27161 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

(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 <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

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 |
|--|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| AF GROWTH OF AMER R5 - AMERICAN FUN 95-2566717 | | 0.05% |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| AM CENT REAL EST IS - AMERICAN CENT 44-0619208 | | 0.15% |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| ARTISAN INTL - BOSTON FINANCIAL DAT 330 W. 9TH STREET KANSAS CITY, MO 66160 | | 0.40% |

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 |
|--|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| ARTISAN MID CAP VAL - STATE STREET 04-0025081 | | 0.40% |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| ARTISAN SM CAP VALUE - STATE STREET 04-0025081 | | 0.40% |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| BARON GROWTH - DST SYSTEMS, INC. 43-1581814 | | 0.40% |

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 |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| DAVIS NY VENTURE A - BOSTON FINANCI 330 W. 9TH STREET KANSAS CITY, MO 66160 | 0.40% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| DODGE & COX INTL STK - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266 | 0.10% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. | |
| HTFD DIV & GRTH Y - HARTFORD ADMINI 41-0679409 | 0.10% | |

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 |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| INVS INTL GROWTH I - INVESCO CANADA 5140 YONGE STREET, SUITE 900 TORONTO, ON M2N 6 CA | 0.35% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| JH RAINIER GRTH INST - JOHN HANCOCK 01-0233346 | 0.10% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| PIM HIGH YIELD INST - BOSTON FINANC 330 W. 9TH STREET KANSAS CITY, MO 66160 | 0.01% | |

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 |
|--|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| PIMCO HIGH YIELD ADM - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160 | 0.26% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| PIMCO TOT RETURN ADM - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160 | 0.26% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (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. |
| TIMESSQ MID CP GTH P - BNY MELLON I P.O. BOX 9793 PROVIDENCE, RI 02940 | 0.40% | |

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 |
|--|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation TRP NEW AMERICA GRTH - T. ROWE PRIC 52-2269240 | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. 0.15% | |
| (a) Enter service provider name as it appears on line 2 | (b) Service Codes (see instructions) | (c) Enter amount of indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |
| (d) Enter name and EIN (address) of source of indirect compensation TRP PERS STR BALANCE - T. ROWE PRIC 52-2269240 | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. 0.15% | |
| (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 |
|---|--------------------------------------|--|
| | | |

| (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 |
|---|--------------------------------------|--|
| | | |

| (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 |
|---|--------------------------------------|--|
| | | |

| (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 |
|---|--------------------------------------|--|
| | | |

| (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 |
|---|--------------------------------------|--|
| | | |

| (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 H
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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 **01/01/2011** and ending **12/31/2011**

| | | |
|--|---|-----|
| A Name of plan ITRON, INC. INCENTIVE SAVINGS PLAN | B Three-digit plan number (PN) ▶ | 001 |
| C Plan sponsor's name as shown on line 2a of Form 5500 ITRON, INC. | D Employer Identification Number (EIN) 91-1011792 | |

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) | | |
| (2) Participant contributions | 1b(2) | | |
| (3) Other..... | 1b(3) | 75420 | 137025 |
| c General investments: | | | |
| (1) Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 839208 | 780568 |
| (2) U.S. Government securities..... | 1c(2) | 7131 | 0 |
| (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) | 886 | 24585 |
| (B) Common | 1c(4)(B) | 1200201 | 1379655 |
| (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) | 3540780 | 4065856 |
| (9) Value of interest in common/collective trusts..... | 1c(9) | 34720411 | 38042359 |
| (10) Value of interest in pooled separate accounts..... | 1c(10) | | |
| (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) | 138793707 | 146330075 |
| (14) Value of funds held in insurance company general account (unallocated contracts)..... | 1c(14) | | |
| (15) Other | 1c(15) | 905 | 4095 |

| 1d Employer-related investments: | | (a) Beginning of Year | (b) End of Year |
|--|-------|-----------------------|-----------------|
| (1) Employer securities | 1d(1) | 6538699 | 4047457 |
| (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 | 185717348 | 194811675 |
| Liabilities | | | |
| g Benefit claims payable | 1g | 25846 | 408879 |
| h Operating payables | 1h | 5680 | 11307 |
| i Acquisition indebtedness | 1i | | |
| j Other liabilities..... | 1j | 1 | 11 |
| k Total liabilities (add all amounts in lines 1g through 1j) | 1k | 31527 | 420197 |
| Net Assets | | | |
| l Net assets (subtract line 1k from line 1f)..... | 1l | 185685821 | 194391478 |

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) Amount | (b) Total |
|--|----------|------------|-----------|
| a Contributions: | | | |
| (1) Received or receivable in cash from: (A) Employers..... | 2a(1)(A) | 4834836 | |
| (B) Participants | 2a(1)(B) | 14232847 | |
| (C) Others (including rollovers)..... | 2a(1)(C) | 1477411 | |
| (2) Noncash contributions | 2a(2) | | |
| (3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2) | 2a(3) | | 20545094 |
| b Earnings on investments: | | | |
| (1) Interest: | | | |
| (A) Interest-bearing cash (including money market accounts and certificates of deposit)..... | 2b(1)(A) | 332672 | |
| (B) U.S. Government securities | 2b(1)(B) | | |
| (C) Corporate debt instruments | 2b(1)(C) | | |
| (D) Loans (other than to participants) | 2b(1)(D) | | |
| (E) Participant loans | 2b(1)(E) | 177505 | |
| (F) Other | 2b(1)(F) | | |
| (G) Total interest. Add lines 2b(1)(A) through (F) | 2b(1)(G) | | |
| (2) Dividends: (A) Preferred stock..... | 2b(2)(A) | 2375 | |
| (B) Common stock | 2b(2)(B) | 30617 | |
| (C) Registered investment company shares (e.g. mutual funds)..... | 2b(2)(C) | 4914500 | |
| (D) Total dividends. Add lines 2b(2)(A), (B), and (C) | 2b(2)(D) | | |
| (3) Rents..... | 2b(3) | | |
| (4) Net gain (loss) on sale of assets: (A) Aggregate proceeds | 2b(4)(A) | 2376572 | |
| (B) Aggregate carrying amount (see instructions) | 2b(4)(B) | 2425811 | |
| (C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result | 2b(4)(C) | | |

| | | (a) Amount | (b) Total |
|--|-----------------|------------|-----------|
| 2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate..... | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | -2272181 | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | -2272181 |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 872729 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) | | -6972529 |
| c Other income..... | 2c | | |
| d Total income. Add all income amounts in column (b) and enter total..... | 2d | | 17581543 |

Expenses

| | | | |
|--|--------------|---------|---------|
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 8715978 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 8715978 |
| f Corrective distributions (see instructions) | 2f | | 118421 |
| g Certain deemed distributions of participant loans (see instructions)..... | 2g | | -7359 |
| h Interest expense..... | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 48846 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 48846 |
| j Total expenses. Add all expense amounts in column (b) and enter total..... | 2j | | 8875886 |

Net Income and Reconciliation

| | | | |
|---|--------------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 8705657 |
| l Transfers of assets: | | | |
| (1) To this plan..... | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

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: **MOSS ADAMS**

(2) EIN: **91-0189318**

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 |
|--|-----|----|--------|
| 4a 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 | |
| 4b 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 | |
| 4c 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 | |
| 4d 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 | |
| 4e Was this plan covered by a fidelity bond?..... | X | | 500000 |
| 4f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | | X | |
| 4g 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 | |
| 4h 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 | |
| 4i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)..... | X | | |
| 4j 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 | |
| 4k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?..... | | X | |
| 4l Has the plan failed to provide any benefit when due under the plan? | | X | |
| 4m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)..... | | X | |
| 4n 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. | | X | |

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small> | 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. | <small>OMB No. 1210-0110</small> 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 <u>ITRON, INC. INCENTIVE SAVINGS 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>ITRON, INC.</u> | D Employer Identification Number (EIN) <u>91-1011792</u> | |

| | |
|---------------|----------------------|
| Part I | Distributions |
|---------------|----------------------|

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): 04-6568107

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) |
|----------------|--|

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 |
|-----------------|-------------------|

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

| | |
|----------------|---|
| 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. |
|----------------|---|

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): _____

REPORT OF INDEPENDENT AUDITORS

To the Administrative Committee
Itron, Inc. Incentive Savings Plan

We have audited the accompanying statements of net assets available for benefits of Itron, Inc. Incentive Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Itron, Inc. Incentive Savings Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

REPORT OF INDEPENDENT AUDITORS
(continued)

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary Schedule H, Line 4i – Schedule of assets held (at end of year) as of December 31, 2011, is presented for purposes of additional analysis, and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Moss Adams LLP

Spokane, Washington
October 4, 2012

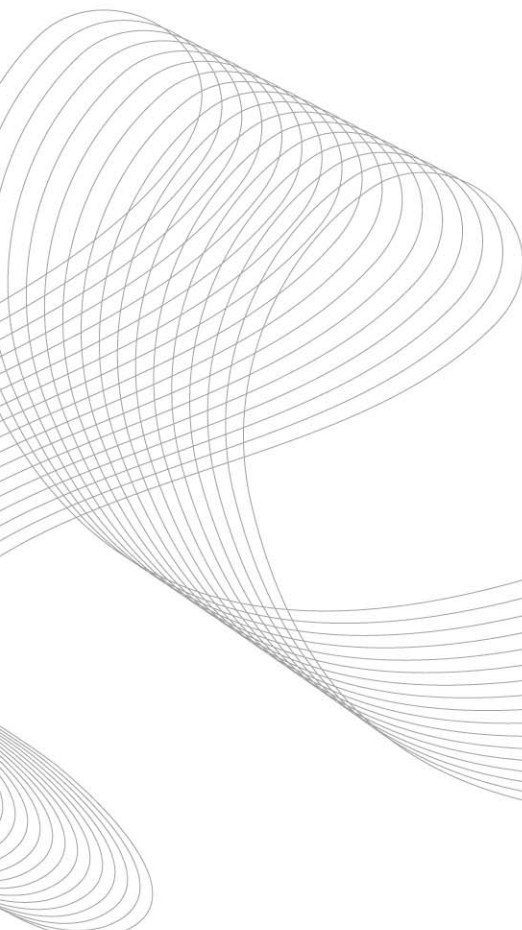
ITRON, INC. INCENTIVE SAVINGS PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Plan Sponsor's EIN: 91-1011792
Plan Number: 001

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Year Ended December 31, 2011 | |
|-----|--|---|---------------------------------|-----------------------|
| | | | (d) Cost | (e) Current Value |
| | Registered investment company funds | | | |
| | PIMCO High Yield Fund | Registered investment company fund | ** | \$ 6,768,103 |
| | PIMCO Total Return Fund | Registered investment company fund | ** | 21,815,572 |
| | Artisan Small-Cap Value Fund | Registered investment company fund | ** | 10,127,152 |
| | Artisan International Fund | Registered investment company fund | ** | 12,292,323 |
| | American Century Real Estate Fund | Registered investment company fund | ** | 9,216,352 |
| | AF Growth of America R5 | Registered investment company fund | ** | 8,405,011 |
| | Davis New York Venture Fund | Registered investment company fund | ** | 10,329,613 |
| | Artisan Mid-Cap Value Fund | Registered investment company fund | ** | 8,688,116 |
| | Baron Growth Fund | Registered investment company fund | ** | 8,642,064 |
| | Times Square Mid Cap Growth Prem | Registered investment company fund | ** | 10,352,118 |
| | Vanguard Institutional Index | Registered investment company fund | ** | 19,263,750 |
| | Vanguard Total International Stock Index | Registered investment company fund | ** | 6,084,040 |
| | T. Rowe Price Personal Strategy Balanced | Registered investment company fund | ** | 4,515,409 |
| | Dodge & Cox International Stock | Registered investment company fund | ** | 6,401,403 |
| * | Fidelity Freedom Income | Registered investment company fund | ** | 39,743 |
| * | Fidelity Freedom 2000 | Registered investment company fund | ** | 1,646 |
| * | Fidelity Freedom 2005 | Registered investment company fund | ** | 1,969 |
| * | Fidelity Freedom 2010 | Registered investment company fund | ** | 109,172 |
| * | Fidelity Freedom 2015 | Registered investment company fund | ** | 1,284,559 |
| * | Fidelity Freedom 2020 | Registered investment company fund | ** | 494,637 |
| * | Fidelity Freedom 2025 | Registered investment company fund | ** | 465,746 |
| * | Fidelity Freedom 2030 | Registered investment company fund | ** | 144,517 |
| * | Fidelity Freedom 2035 | Registered investment company fund | ** | 350,324 |
| * | Fidelity Freedom 2040 | Registered investment company fund | ** | 90,089 |
| * | Fidelity Freedom 2045 | Registered investment company fund | ** | 8,880 |
| * | Fidelity Freedom 2050 | Registered investment company fund | ** | 8,344 |
| | Money market account | | | |
| * | Fidelity Institutional Money Market Fund | Money market fund | ** | 178,497 |
| | Stable value fund | | | |
| | T. Rowe Price Stable Value Common Trust Fund | Common collective trust fund | ** | 38,042,359 |
| | Common stocks | | | |
| * | Itron, Inc. common stock | Common stock | ** | 3,921,072 |
| | Schlumberger Ltd common stock | Common stock | ** | 120,193 |
| | Transocean Inc. common stock | Common stock | ** | 6,192 |
| | Individually directed accounts | | ** | 2,439,818 |
| | | Interest rates range from 4.25% to 9.25%, maturing through December 2031 | | |
| * | Loans to participants | | | 4,065,856 |
| | Total | | | <u>\$ 194,674,639</u> |

* Party in interest transaction as defined by ERISA.

** The cost of participant directed investments is not required to be disclosed.



Report of Independent Auditors
and Financial Statements
and Supplementary Schedule for

**Itron, Inc.
Incentive Savings Plan**

December 31, 2011 and 2010

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

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REPORT OF INDEPENDENT AUDITORS

To the Administrative Committee
Itron, Inc. Incentive Savings Plan

We have audited the accompanying statements of net assets available for benefits of Itron, Inc. Incentive Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Itron, Inc. Incentive Savings Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

REPORT OF INDEPENDENT AUDITORS
(continued)

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary Schedule H, Line 4i – Schedule of assets held (at end of year) as of December 31, 2011, is presented for purposes of additional analysis, and is not a required part of the financial statements but is supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan’s management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Moss Adams LLP

Spokane, Washington
October 4, 2012

ITRON, INC. INCENTIVE SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

ASSETS

| | December 31, | |
|--|-----------------------|-----------------------|
| | <u>2011</u> | <u>2010</u> |
| Investments, at fair value | | |
| Registered investment company funds | \$ 145,900,652 | \$ 138,295,684 |
| Stable value fund | 38,042,359 | 34,720,411 |
| Employer securities | 4,047,457 | 6,538,699 |
| Individually directed accounts | 2,439,818 | 2,237,037 |
| Money market account | 178,497 | 309,316 |
| | <u>190,608,783</u> | <u>182,101,147</u> |
| Notes receivable from participants | <u>4,065,856</u> | <u>3,540,780</u> |
| Receivables | | |
| Employer matching contributions | 1,033,494 | 1,080,298 |
| Other | 137,025 | 75,420 |
| | <u>1,170,519</u> | <u>1,155,718</u> |
| Total assets | <u>195,845,158</u> | <u>186,797,645</u> |
| LIABILITIES | | |
| Other payable | 408,879 | 25,846 |
| Accrued expenses | 11,307 | 5,680 |
| Total liabilities | <u>420,186</u> | <u>31,526</u> |
| Net assets reflecting all investments at fair value | 195,424,972 | 186,766,119 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contract | <u>(1,325,117)</u> | <u>(1,254,941)</u> |
| Net assets available for benefits | <u>\$ 194,099,855</u> | <u>\$ 185,511,178</u> |

ITRON, INC. INCENTIVE SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31, 2011 |
|---|------------------------------------|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO | |
| Investment income (loss) | |
| Net depreciation in fair value of investments | \$ (7,298,160) |
| Interest and dividends | 4,057,915 |
| | (3,240,245) |
| Interest income on notes receivable from participants | 177,505 |
| Contributions | |
| Participants | 14,232,847 |
| Employer matching | 4,787,992 |
| Rollovers | 1,477,410 |
| | 20,498,249 |
| Total additions | 17,435,509 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO | |
| Benefits paid to participants | 8,820,760 |
| Administrative expenses | 26,072 |
| | 8,846,832 |
| Total deductions | 8,846,832 |
| Net increase | 8,588,677 |
| NET ASSETS AVAILABLE FOR BENEFITS | |
| Beginning of year | 185,511,178 |
| End of year | \$ 194,099,855 |

ITRON, INC. INCENTIVE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 – Description of Plan

Itron, Inc. (Company or Employer) established Itron, Inc. Incentive Savings Plan (Plan) effective March 1, 1985 (amended and restated January 1, 2008), including subsequent amendments. The Plan is a defined contribution plan and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is administered by the internal Administrative Committee and is participant directed. The trustee of the Plan is Fidelity Management Trust Company. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Eligibility – Full-time and part-time employees of the Company shall become participants under the Plan as soon as administratively possible following their employment dates.

The Plan has an automatic enrollment provision wherein participants are automatically enrolled at a deferral percentage of 3%. Participants must choose to opt out of Plan participation within 30 days following date of hire if they wish not to participate.

The employee qualifies to receive Company match contributions if employed on the last day of the period for which the Company matching contribution is made to the Plan.

Contributions – Each year, participants may contribute up to 50% of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company may contribute to the Plan, on behalf of each employee eligible, a discretionary matching contribution equal to a percentage (as determined by the Company's Board of Directors) of the elective deferrals made by each such employee. The Company's Board of Directors may also determine to suspend or reduce its contribution for any Plan year or any portion thereof. In 2011, the Company matched 50% of participant contributions up to 6% of the participants' pretax annual compensation, as defined in the Plan. Contributions are subject to regulatory limitations.

Participant accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings (losses) and charged with an allocation of certain 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 amount.

Vesting – Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after five years of credited service.

ITRON, INC. INCENTIVE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

Note 1 – Description of Plan (continued)

Vesting (continued) – The Company merged the Actaris Liquid Measurement, LLC 401(k) Profit Sharing Plan and the Actaris US Gas, Inc. 401(k) Profit Sharing Plan into the Itron, Inc. Incentive Savings Plan in 2008. An Actaris participant is 100% vested after four years of credited service.

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 balance. The loans are secured by the balance in the participant’s account and bear interest at rates determined by the Administrative Committee based on the yield rates of appropriate U.S. Treasury securities. Principal and interest are paid ratably through bi-weekly payroll deductions. As of December 31, 2011, interest rates ranged from 4.25% to 9.25% with various maturities through December 2031.

Payment of benefits – Upon termination of service due to death, disability, or age 59½ or later, a participant may elect to receive either a lump-sum amount equal to the value of the participant’s vested interest in his or her account, or periodic installments over a period not exceeding 20 years, if the participant’s vested account exceeds \$5,000. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. A single payment distribution may also be made in the form of whole shares of Company stock to the extent the participant’s account is invested in Company stock.

Forfeitures – The Plan may treat forfeitures as a reduction of Company contributions for the Plan year in which the forfeiture occurs or pay Plan expenses. Forfeitures used by the Company to reduce contributions in the Plan year ended December 31, 2011, amounted to \$79,055. Unallocated forfeitures were \$20,319 and \$18,143 as of December 31, 2011 and 2010, respectively.

Hardship withdrawals – Hardship withdrawals are permitted by the Plan in accordance with Internal Revenue Code Section 401(k).

Investment management and administrative expenses – The Plan pays certain record keeping and investment management fees. Also, certain expenses for administration of the Plan (record keeping, trustee services, and consulting services) are paid directly by the Company at its election.

Plan termination – Although the Company has not expressed any intent to do so, the Company, by resolution of its Board of Directors, reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund shall become fully vested and nonforfeitable.

ITRON, INC. INCENTIVE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual method of accounting.

Recent accounting pronouncements – In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements*. The guidance, which was effective for reporting periods beginning after December 15, 2009, required additional disclosures about transfers between levels within the fair value hierarchy, and clarified existing disclosure requirements regarding classes of assets and liabilities measured at fair value. Additional guidance, which is effective for reporting periods beginning after December 15, 2010, requires the Plan to present information about purchases, sales, issuances, and settlements on a gross basis in the reconciliation of the beginning and ending balance of Level 3 fair value measurements. The Plan adopted the Level 3 reconciliation disclosures effective January 1, 2011. See Note 4.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820) - Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU No. 2011-04 requires disclosure of valuation techniques for Level 2 and Level 3 measurements and for Level 3 measurements requires disclosure of valuation processes used by the reporting entity and quantitative information about significant unobservable inputs. ASU No. 2011-04 removes the requirement for nonpublic companies to disclose information about transfers between Level 1 and Level 2 of the fair value hierarchy. The new guidance is effective for reporting periods beginning after December 15, 2011. Plan management does not expect the adoption of ASU No. 2011-04 to have a material effect on the statements of net assets available for benefits and statement of changes in net assets available for benefits.

Investment valuation – Fair value is the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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. Authoritative guidance requires the statement of net assets available for benefits present the fair value of the investments, as well as the adjustment from fair value to contract value for fully benefit-responsive investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

ITRON, INC. INCENTIVE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Income recognition – Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net depreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

Notes receivable from participants – Notes receivable from participants are measured at amortized cost, which represents the unpaid principal balance plus accrued but unpaid interest, and are classified as notes receivable. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan document.

Payments of benefits – Benefits are recorded when paid.

Subsequent events – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before the financial statements are issued.

The Plan has evaluated subsequent events through October 4, 2012, which is the date the financial statements were available to be issued.

Risks and uncertainties – The Plan provides for various investment options in any combination of registered investment company funds, a stable value fund, common stock funds, and individually directed accounts. Investment securities of these types are exposed to various risks, such as interest rate, market, and credit. 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 financial statements.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net assets available for benefits during the reporting period. Actual results could differ from those estimates.

ITRON, INC. INCENTIVE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (continued)

Allowance for loss on receivables – An allowance for loss on loans to participants has not been recorded as all receivables are deemed to be 100% collectible or adequately secured as of the date of this report.

Reclassifications – Certain items in the 2010 report have been reclassified to conform to the 2011 presentation. These reclassifications had no effect on net assets available for benefits as previously reported.

Note 3 – Investments

Investments representing 5% or more of net assets available for benefits consist of the following as of December 31:

| | December 31, | |
|--|---------------|---------------|
| | 2011 | 2010 |
| Registered investment company funds | | |
| PIMCO Total Return Fund | \$ 21,815,572 | \$ 19,665,960 |
| Vanguard Institutional Index | 19,263,750 | 17,543,094 |
| Artisan International Fund | 12,292,323 | 12,599,370 |
| Davis New York Venture Fund | 10,329,613 | 10,937,959 |
| Times Square Mid Cap Growth Prem | 10,352,118 | 10,543,911 |
| Artisan Small-Cap Value Fund | 10,127,152 | 10,203,146 |
| Stable value fund | | |
| T. Rowe Price Stable Value Common Trust Fund** | 36,717,242 | 33,465,470 |

** Contract value has been presented for the Stable Value fund as it is the relevant measurement for financial statement purposes.

During 2011, the Plan’s investments (including gains and losses on investments purchased, sold, as well as held during the year) depreciated in fair value as follows:

| | |
|---|-----------------------|
| Registered investment company funds | \$ (4,992,765) |
| Employer securities | (2,159,657) |
| Individually directed accounts | <u>(145,738)</u> |
| Net depreciation in fair value of investments | <u>\$ (7,298,160)</u> |

ITRON, INC. INCENTIVE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

Note 4 – Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Basis of Fair Value Measurement

- 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** Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.
- 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 any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Shares of registered investment company funds (or mutual funds) are valued at the net asset value (NAV) of shares held by the Plan and are valued at the closing price reported on the active market on which the individual securities are traded.

The T. Rowe Price Stable Value Common Trust Fund (Fund) is designed to provide preservation of capital and returns that are consistent regardless of stock and bond market volatility. The Fund seeks to earn a high level of income consistent with those objectives. The Fund holds guaranteed investment contracts, which typically have a fixed maturity. Each contract contains a provision the issuer will, if required, repay principal at the stated contract value for the purpose of paying benefit payments (fully benefit-responsive). In accordance with authoritative guidance, the Fund is presented at fair value on the statements of net assets available for benefits. The adjustment from fair value to contract value is based on the contract value as reported by the Fund's audited financial statements.

ITRON, INC. INCENTIVE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Note 4 - Fair Value Measurements (continued)

Common stocks are valued at the closing price reported on the major market in which the individual securities are traded. Common stocks are generally classified within Level 1 of the valuation hierarchy. The money market fund is a public investment vehicle valued using \$1 for the NAV. The money market fund is classified within Level 2 of the valuation hierarchy.

The Plan invests in Itron, Inc. Stock Fund, a unitized fund. Units held in a unitized stock fund are valued using the NAV of the Fund. The NAV is based on the fair value of the underlying assets owned by the Fund, plus its receivables, and then divided by the number of units outstanding. The Fund consists of Itron, Inc. common stock, Fidelity Institutional Money Market Fund, and a small balance of receivables. The money market fund and common stock are valued as described in the paragraphs above. As the stock and money market fund are separate investments to the Plan, the components of the unitized fund are listed separately in the fair value table.

The valuation methods used by the Plan 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.

ITRON, INC. INCENTIVE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 4 - Fair Value Measurements (continued)

The following table discloses by level, the fair value hierarchy, of the Plan's assets at fair value as of December 31:

| | Investment Assets at Fair Value as of December 31, 2011 | | | |
|-------------------------------------|---|----------------------|-------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Registered investment company funds | | | | |
| Equity funds | \$ 10,176,895 | \$ - | \$ - | \$ 10,176,895 |
| Income funds | 70,373 | - | - | 70,373 |
| Index funds | 25,511,031 | - | - | 25,511,031 |
| Balanced funds | 36,088,099 | - | - | 36,088,099 |
| Growth funds | 55,865,465 | - | - | 55,865,465 |
| International funds | 18,698,559 | - | - | 18,698,559 |
| Exchange traded funds | 48,646 | - | - | 48,646 |
| Other funds | 70,298 | - | - | 70,298 |
| Common stocks | | | | |
| Industrials | 37,494 | - | - | 37,494 |
| Financial | 296,941 | - | - | 296,941 |
| Utilities | 55,040 | - | - | 55,040 |
| Technology | 4,307,742 | - | - | 4,307,742 |
| Services | 131,105 | - | - | 131,105 |
| Consumer | 72,242 | - | - | 72,242 |
| Basic Material | 285,444 | - | - | 285,444 |
| Healthcare | 70,493 | - | - | 70,493 |
| Stable value fund | - | 38,042,359 | - | 38,042,359 |
| Money market account | - | 780,557 | - | 780,557 |
| Total assets at fair value | \$ 151,785,867 | \$ 38,822,916 | \$ - | \$ 190,608,783 |

ITRON, INC. INCENTIVE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 4 – Fair Value Measurements (continued)

| | Investment Assets at Fair Value as of December 31, 2010 | | | |
|-------------------------------------|---|----------------------|-------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Registered investment company funds | | | | |
| Equity funds | \$ 10,288,345 | \$ - | \$ - | \$ 10,288,345 |
| Income funds | 133,363 | - | - | 133,363 |
| Index funds | 24,251,729 | - | - | 24,251,729 |
| Balanced funds | 31,165,530 | - | - | 31,165,530 |
| Growth funds | 53,465,366 | - | - | 53,465,366 |
| International funds | 19,627,519 | - | - | 19,627,519 |
| Exchange traded funds | 10,813 | - | - | 10,813 |
| Other funds | 124,612 | - | - | 124,612 |
| Common stocks | | | | |
| Industrials | 38,997 | - | - | 38,997 |
| Financial | 146,891 | - | - | 146,891 |
| Utilities | 78,297 | - | - | 78,297 |
| Technology | 6,649,097 | - | - | 6,649,097 |
| Services | 60,844 | - | - | 60,844 |
| Consumer | 100,661 | - | - | 100,661 |
| Basic Material | 306,528 | - | - | 306,528 |
| Healthcare | 92,937 | - | - | 92,937 |
| Stable value fund | - | 34,720,411 | - | 34,720,411 |
| Money market account | - | 839,207 | - | 839,207 |
| Total assets at fair value | <u>\$ 146,541,529</u> | <u>\$ 35,559,618</u> | <u>\$ -</u> | <u>\$ 182,101,147</u> |

Note 5 – Tax Status

The Plan obtained its latest determination letter dated February 18, 2009, in which the Internal Revenue Service (IRS) stated the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Administrative Committee believes the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes (ASC 740-10), management evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements.

ITRON, INC. INCENTIVE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 6 – Party in Interest Transactions

Certain Plan assets are managed by Fidelity Management Trust Company, the trustee of the assets. Certain Plan investments are shares in Itron, Inc. common stock, shares of Schlumberger Ltd common stock, and shares of Transocean Inc. common stock. The investments in stock represent shares of the Company's common stock held by the Plan and shares of other companies' common stock transferred into the Plan in connection with mergers of plans acquired from business transactions; therefore, these transactions qualify as party in interest transactions. Fees paid by the Plan for investment management services to Fidelity Management Trust Company were \$31,354 for the year ended December 31, 2011.

Note 7 – Reconciliation to Form 5500

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

| | <u>2011</u> | <u>2010</u> |
|---|------------------------------|------------------------------|
| Net assets available for benefits per the financial statements | \$ 194,099,855 | \$ 185,511,178 |
| Employer matching contributions receivable | (1,033,494) | (1,080,298) |
| Add adjustment from fair value to contract value for fully benefit-responsive investment contract | <u>1,325,117</u> | <u>1,254,941</u> |
| Net assets available for benefits per Form 5500 | <u><u>\$ 194,391,478</u></u> | <u><u>\$ 185,685,821</u></u> |

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

| | |
|--|----------------------------|
| Net increase in net assets available for benefits per the financial statements | \$ 8,588,677 |
| Less employer matching contributions receivable current year | (1,033,494) |
| Plus employer matching contributions receivable prior year | 1,080,298 |
| Less adjustment from fair value to contract value for fully benefit-responsive investment contract prior year | (1,254,941) |
| Add adjustment from fair value to contract value for fully benefit-responsive investment contract current year | <u>1,325,117</u> |
| Net increase in net assets available for benefits per Form 5500 | <u><u>\$ 8,705,657</u></u> |

SUPPLEMENTARY SCHEDULE REQUIRED BY THE DEPARTMENT OF LABOR

ITRON, INC. INCENTIVE SAVINGS PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Plan Sponsor's EIN: 91-1011792
Plan Number: 001

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Year Ended December 31, 2011 | |
|-----|--|---|---------------------------------|-----------------------|
| | | | (d) Cost | (e) Current Value |
| | Registered investment company funds | | | |
| | PIMCO High Yield Fund | Registered investment company fund | ** | \$ 6,768,103 |
| | PIMCO Total Return Fund | Registered investment company fund | ** | 21,815,572 |
| | Artisan Small-Cap Value Fund | Registered investment company fund | ** | 10,127,152 |
| | Artisan International Fund | Registered investment company fund | ** | 12,292,323 |
| | American Century Real Estate Fund | Registered investment company fund | ** | 9,216,352 |
| | AF Growth of America R5 | Registered investment company fund | ** | 8,405,011 |
| | Davis New York Venture Fund | Registered investment company fund | ** | 10,329,613 |
| | Artisan Mid-Cap Value Fund | Registered investment company fund | ** | 8,688,116 |
| | Baron Growth Fund | Registered investment company fund | ** | 8,642,064 |
| | Times Square Mid Cap Growth Prem | Registered investment company fund | ** | 10,352,118 |
| | Vanguard Institutional Index | Registered investment company fund | ** | 19,263,750 |
| | Vanguard Total International Stock Index | Registered investment company fund | ** | 6,084,040 |
| | T. Rowe Price Personal Strategy Balanced | Registered investment company fund | ** | 4,515,409 |
| | Dodge & Cox International Stock | Registered investment company fund | ** | 6,401,403 |
| * | Fidelity Freedom Income | Registered investment company fund | ** | 39,743 |
| * | Fidelity Freedom 2000 | Registered investment company fund | ** | 1,646 |
| * | Fidelity Freedom 2005 | Registered investment company fund | ** | 1,969 |
| * | Fidelity Freedom 2010 | Registered investment company fund | ** | 109,172 |
| * | Fidelity Freedom 2015 | Registered investment company fund | ** | 1,284,559 |
| * | Fidelity Freedom 2020 | Registered investment company fund | ** | 494,637 |
| * | Fidelity Freedom 2025 | Registered investment company fund | ** | 465,746 |
| * | Fidelity Freedom 2030 | Registered investment company fund | ** | 144,517 |
| * | Fidelity Freedom 2035 | Registered investment company fund | ** | 350,324 |
| * | Fidelity Freedom 2040 | Registered investment company fund | ** | 90,089 |
| * | Fidelity Freedom 2045 | Registered investment company fund | ** | 8,880 |
| * | Fidelity Freedom 2050 | Registered investment company fund | ** | 8,344 |
| | Money market account | | | |
| * | Fidelity Institutional Money Market Fund | Money market fund | ** | 178,497 |
| | Stable value fund | | | |
| | T. Rowe Price Stable Value Common Trust Fund | Common collective trust fund | ** | 38,042,359 |
| | Common stocks | | | |
| * | Itron, Inc. common stock | Common stock | ** | 3,921,072 |
| | Schlumberger Ltd common stock | Common stock | ** | 120,193 |
| | Transocean Inc. common stock | Common stock | ** | 6,192 |
| | Individually directed accounts | | ** | 2,439,818 |
| | | Interest rates range from 4.25% to 9.25%, maturing through December 2031 | | |
| * | Loans to participants | | | 4,065,856 |
| | Total | | | <u>\$ 194,674,639</u> |

* Party in interest transaction as defined by ERISA.

** The cost of participant directed investments is not required to be disclosed.