



Press Release

February 4, 2008

FOR IMMEDIATE RELEASE

Investor Contacts:

Alfred Giammarino
Chief Financial Officer
Sensus Metering Systems
(919) 845-4033
al.giammarino@sensus.com

James J. Hilty
Vice President, Business Development
Sensus Metering Systems
(919) 845-4007
jim.hilty@sensus.com

Sensus Announces Fiscal Third Quarter 2008 Financial Results

Raleigh, NC (February 4, 2008) – Sensus Metering Systems, a leading provider of high-value metering system solutions to utilities worldwide, today announced financial results for the fiscal third quarter and nine months ended December 29, 2007.

Highlights

- Adjusted Net Sales¹ (as described below) increased 17% to \$170.0 million from the same quarter a year ago.
- Total backlog reached a record high of \$92.0 million, up 9% from a year ago.
- Executed contracts for the deployment of our FlexNet® Advanced Metering Infrastructure (“AMI”) solutions covering 6.6 million electric and gas endpoints, including a contract covering 4.3 million electric endpoints with Southern Company announced on January 14, 2008.
- Adjusted EBITDA¹ (as described below) reached \$16.7 million, an 11% increase compared with the same quarter a year ago.
- Cash-on-hand totaled \$33.2 million as of December 29, 2007 and net debt amounted to \$444.9 million.

During the fiscal third quarter, Sensus Metering Systems began the initial deployment of its new, advanced FlexNet® AMI solutions under long-term contracts executed with several North American electric and gas utilities. These contracts, which extend for up to twenty years and cover 6.6 million electric and gas endpoints, contain significant hardware and software components as well as ongoing customer support. As a result of the significant advanced technology and software and the absence of stand-alone customer support sales prices, revenues and incremental direct costs related to these long-term contracts are required to be deferred and recognized ratably over the life of the contracts. This deferral will have no impact on cash flow as billings to customers occur when the network is deployed and the related costs are incurred, generally over the first several years of the contract term.

(more)



Fiscal Third Quarter Results

For the fiscal third quarter ended December 29, 2007, Adjusted Net Sales¹ and Adjusted EBITDA¹ (non-GAAP measures), which include \$7.8 million of net sales and \$1.2 million of EBITDA related to long-term AMI contracts deferred, amounted to \$170.0 million and \$16.7 million, respectively, representing increases of 17% and 11% compared with the fiscal third quarter ended December 30, 2006.

The strong growth in Adjusted Net Sales¹ and Adjusted EBITDA¹ reflects continued growth in Automatic Meter Reading ("AMR") applications, the initial deployment of AMI solutions, expansion into new markets in Europe and China, strengthening economies in Central Europe and South America and higher sales volumes of residential gas meters. Growth in these products and areas was slightly offset by the weak housing and ailing U.S. automotive markets which impacted our Smith-Blair pipe clamp and coupling and Precision Die Casting businesses. Results for the current quarter also reflect the investment in infrastructure costs, such as sales and marketing as well as engineering and technical personnel to support the rapidly growing AMI business.

The net loss for the quarter was \$5.0 million compared to \$7.1 million in the same quarter a year ago. The improved results reflect the growth in net sales and EBITDA as well as a higher net income tax benefit in the current fiscal third quarter.

Nine Month Results

For the first nine months of fiscal 2008, Adjusted Net Sales¹ and Adjusted EBITDA¹ (non-GAAP measures), including \$11.4 million of net sales and \$2.0 million of EBITDA related to long-term AMI contracts deferred, amounted to \$520.8 million and \$57.5 million, respectively, representing increases of 17% and 10% compared with the same period of fiscal 2007. The strong growth in Adjusted Net Sales¹ and Adjusted EBITDA¹ was driven by the previously mentioned items for the fiscal third quarter.

The net loss for the first nine months of fiscal 2008 was \$9.5 million compared to \$16.9 million in the same period a year ago. The improved results reflect the growth in net sales and EBITDA as well as a higher net income tax benefit in the current year.

The Company's Form 10-Q for the quarter ended December 29, 2007, which includes financial statements for the three and nine months ended December 29, 2007 and related notes together with management's discussion and analysis of such results, is now available.

A conference call with analysts to discuss these results will be held on February 8, 2008 at 11:00 AM (EST). To access the conference call, please dial 800-688-0796 (domestic access) or 617-614-4070 (international access) and reference Passcode: 60716485. It is recommended that you dial in five to ten minutes prior to the call to allow time for processing participant information. A replay of the call will be available until February 15, 2008 by dialing 888-286-8010 (domestic access) or 617-801-6888 (international access) and referencing Passcode: 60716485.

(more)



About Sensus Metering Systems

The Sensus Metering Systems companies are leading world-class providers of high-value metering, Automatic Meter Reading (“AMR”) and Advanced Metering Infrastructure (“AMI”) system solutions for water, gas, electric and heat utilities as well as sub-metering entities globally. Additional linked businesses include Smith-Blair a leading provider of pipe clamp and coupling products for the water, gas and industrial markets, and Sensus Precision Die Casting which produces complex, high quality die-castings. For more information, please visit the company’s web site at www.sensus.com.

About FlexNet®

FlexNet® provides the utility industry’s most reliable and flexible two-way AMI fixed network. Utility customers benefit from the dependable, mission-critical performance of a dedicated, primary-use, FCC licensed and protected communications network combined with ANSI compliant metering, IP-based wide area communications, open standards home area networking, advanced smart grid products, and IP-based information systems. Sensus delivers timely and accurate AMI communications through crystal-clear and massively redundant RF data paths with double the RF power of competing systems. This empowers utilities to communicate with a complete range of endpoint devices including smart water, gas and electric meters, intelligent home devices, and distribution automation equipment in any mix of rural and urban terrain. Forward-thinking utilities confidently choose FlexNet® to provide a single-technology solution that reduces cost, mitigates technology risk, enables pricing flexibility and demand response, and improves operational efficiency through reliable performance, industry standards, cross-vendor compatibility, system scalability and future-proof operation.

All statements in this release, other than historical facts, are made in reliance on the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties and are subject to change at any time. These statements reflect the Company's current expectations regarding its financial position, revenues, cash flow and other operating results, business strategy, financing plans, forecasted trends related to the markets in which the Company operates, legal proceedings and similar matters. The Company's expectations expressed or implied in these forward-looking statements may turn out to be incorrect. The Company's actual results could be materially different from its expectations because of various risks. These risks, some of which are discussed under the caption "Risk Factors" in the Company's Annual Report on Form 10-K (SEC File No. 333-113658) for the fiscal year ended March 31, 2007 as filed with the Securities and Exchange Commission on May 16, 2007, include its dependence on new product development and intellectual property, and its dependence on independent distributors and third-party contract manufacturers, automotive vehicle production levels and schedules, its substantial financial leverage, debt service and other cash requirements, liquidity constraints and risks related to future growth and expansion. Other important risks that could cause actual events or results to differ from those contained or implied in the forward-looking statements include, without limitation, the Company's ability to integrate acquired companies, general economic and business conditions, competition, adverse changes in the regulatory or legislative environment in which the Company operates, and other factors beyond the Company's control.

(more)



(1) Non-GAAP Measures

In order to enhance the comparability and usefulness of its financial information, the Company provides certain Non-GAAP measures to more fully describe the results of its underlying business. Specifically, the Company utilizes the measures of Adjusted Net Sales, EBITDA and Adjusted EBITDA which are defined as follows:

- Adjusted Net Sales is defined as net sales as determined under U.S. GAAP adjusted to add-back revenue (net of amortization) related to long-term, multi-element contracts which have been deferred under the provisions of SOP 97-2.
- EBITDA is defined as earnings before interest expense, depreciation and amortization, minority interest and income taxes.
- Adjusted EBITDA is defined as EBITDA plus revenues less the associated incremental direct costs (both net of amortization) related to long-term, multi-element contracts which have been deferred under SOP 97-2.

Management uses these measures to evaluate its operating performance. Management believes that these measures provide useful information for investors in trending, analyzing and benchmarking the performance and value of the business. These metrics for measuring the Company's financial results may be different from comparable information provided by other companies and should not be used as an alternative to the operating and other financial information of the Company as determined under U.S. GAAP.

(more)



A reconciliation of each of these Non-GAAP measures to its most closely related U.S. GAAP measure is set out in the table below (in millions):

	Fiscal Quarter Ended December 29, 2007	Fiscal Quarter Ended December 30, 2006	Nine Months Ended December 29, 2007	Nine Months Ended December 30, 2006
Net Sales	\$ 162.2	\$ 144.7	\$ 509.4	\$ 444.5
Revenue from long-term contracts deferred under SOP 97-2 (net of amortization)	7.8	-	11.4	-
Adjusted Net Sales	\$ 170.0	\$ 144.7	\$ 520.8	\$ 444.5

	Fiscal Quarter Ended December 29, 2007	Fiscal Quarter Ended December 30, 2006	Nine Months Ended December 29, 2007	Nine Months Ended December 30, 2006
Net Loss	\$ (5.0)	\$ (7.1)	\$ (9.5)	\$ (16.9)
Depreciation and amortization	12.9	12.5	35.6	36.0
Interest expense, net	10.3	10.6	31.4	31.4
Income tax (benefit) provision	(2.9)	(0.9)	(3.4)	1.8
Minority interest	0.2	-	1.4	0.3
EBITDA	\$ 15.5	\$ 15.1	\$ 55.5	\$ 52.6
Revenue less incremental direct costs from long-term contracts deferred under SOP 97-2 (net of amortization)	1.2	-	2.0	-
Adjusted EBITDA	\$ 16.7	\$ 15.1	\$ 57.5	\$ 52.6
Gain from discontinued operations	-	-	-	(0.1)
Adjusted EBITDA (excluding discontinued operations)	\$ 16.7	\$ 15.1	\$ 57.5	\$ 52.5

###