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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): October 28, 2009**

**Commission file number 333-113658**

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**Sensus (Bermuda 2) Ltd.**

(Exact name of registrant as specified in its charter)

**Sensus USA Inc.**

(Exact name of registrant as specified in its charter)

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**Bermuda**

(State or other jurisdiction of  
incorporation or organization)

**98-0413362**

(I.R.S. Employer  
Identification No.)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**51-0338883**

(I.R.S. Employer  
Identification No.)

**8537 Six Forks Road, Suite 400, Raleigh, North Carolina 27615**

(Address of principal executive offices) (Zip Code)

**(919) 845-4000**

(Registrants' telephone number, including area code)

**Not applicable**

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition**

On October 28, 2009, Sensus (Bermuda 2) Ltd. (the "Company") issued a press release setting forth certain financial results of the Company for the fiscal quarter ended September 30, 2009. A copy of the press release is furnished as Exhibit 99.1 hereto.

In accordance with General Instruction B.2 of Form 8-K, the information contained in this report and in the accompanying exhibit is being furnished to the Securities and Exchange Commission and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be incorporated or deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibit is being furnished herewith:

99.1 Press release, dated October 28, 2009.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SENSUS (BERMUDA 2) LTD.

Dated: October 28, 2009

By: /s/ Peter Mainz  
Name: Peter Mainz  
Title: Chief Executive Officer & President

SENSUS USA INC.

Dated: October 28, 2009

By: /s/ Peter Mainz  
Name: Peter Mainz  
Title: Chief Executive Officer & President



# Press Release



## Sensus Announces Fiscal Second Quarter 2010 Financial Results and Earnings Call

### AMI SmartPoint™ Deployments Approaching 4 Million

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**Raleigh, NC** (October 28, 2009) – Sensus, a leading provider of high-value advanced metering infrastructure (AMI), Smart Grid and metering system solutions to utilities worldwide, today announced financial results for the fiscal second quarter ended September 30, 2009.

Total fiscal second quarter GAAP net sales of \$153 million declined 13% on a year-over-year basis. Consolidated net loss for the quarter was \$18.6 million, and included a \$5.9 million loss on debt extinguishment, compared to a consolidated net loss of \$5.0 million in the prior period. Adjusted Net Sales<sup>1</sup> increased \$1.5 million, or 1% year-over-year on a constant exchange rate basis. Adjusted Gross Profit<sup>1</sup> margin was 26.7%, representing a 40 basis point improvement over the same period in the prior year. Adjusted EBITDA<sup>1</sup> of \$26 million for the quarter was down \$2 million. The Company continues its investment commitment in new product offerings with research and development investment as a percent of Adjusted Net Sales<sup>1</sup> at 5.3% for the quarter, representing a 160 basis point increase from the prior year quarter.

“Sensus continues to execute its strategy and maintain a strong financial position, despite the continued challenging economic conditions,” said Peter Mainz, Chief Executive Officer and President of Sensus. “I am pleased with the results of our quarterly Adjusted Net Sales<sup>1</sup> which were above our prior year comparable and prior quarter results. We continue to focus on working with our customers to support their deployment plans with nearly 4 million SmartPoint™ devices deployed with excellent results,” he added.

“We are aggressively investing in R&D, software development and strategic acquisitions. During the quarter we announced the addition of Telemetric Corporation to provide our customers with advanced distribution automation solutions and extend the reach of our Smart Grid offerings. These investments in smart metering technologies are helping us achieve our commitment to deliver advanced technologies, products and features to our customers so they can implement AMI and Smart Grid initiatives,” said Mainz.

### Key Highlights for the Fiscal Second Quarter

- Adjusted Net Sales<sup>1</sup> increased \$1.5 million, or 1% on a constant exchange rate basis.
- Adjusted Net Sales<sup>1</sup> book-to-bill<sup>2</sup> of 1 to 1.
- Approximately 680,000 AMI endpoints shipped during the fiscal quarter.
- \$474 million potential future revenue and 5 million endpoints from AMI contracts.
- Acquired certain assets and liabilities of the Telemetric Corporation.
- Amended our senior credit facilities on July 23, 2009.
- \$34 million of cash-on-hand at September 30, 2009.

Sensus’ products and solutions serve a broad range of electric, water and gas utility customers worldwide with approximately 200 AMI and Smart Grid projects in progress or completed.

*(more)*

## Fiscal Second Quarter Earnings Conference Call

A conference call with analysts to discuss these results will be held on October 30, 2009 at 11:00 AM (EDT). To access the conference call, please dial 800-688-0796 (domestic access) or 617-614-4070 (international access) and reference Passcode: 78594127. 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 November 6, 2009 by dialing 888-286-8010 (domestic access) or 617-801-6888 (international access) and referencing Passcode: 56343402.

### Investor Contacts:

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### About Sensus

Sensus is a time-tested technology and communications company providing data collection and metering solutions for water, gas and electric utilities around the world. Sensus is a transforming force for the utilities of tomorrow through its ability to help customers optimize resources, as well as to meet conservation and customer service objectives. Sensus customers rely on the Company for expert, reliable service in order to meet challenges and exceed goals. For more information, visit [www.sensus.com](http://www.sensus.com).

SmartPoint™ is a trademark of Sensus USA Inc.

*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, 2009 as filed with the Securities and Exchange Commission on May 15, 2009, include the Company's susceptibility to macroeconomic downturns in the United States and abroad, conditions in the residential, commercial and industrial construction markets and in the automotive industry, the Company's dependence on new product development and intellectual property, the Company's dependence on independent distributors and third-party contract manufacturers, automotive vehicle production levels and schedules, the Company's 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, customer cancellations and other factors beyond the Company's control.*

(more)

## (I) Non-GAAP Measures

During the second quarter of fiscal 2010, Sensus continued the deployment of its new, advanced FlexNet® AMI solutions under contracts executed with several North American electric and gas utilities. These contracts, which extend up to 20 years and cover approximately 8.7 million electric and gas endpoints, contain significant hardware and software components as well as ongoing customer support. Due to the significant advanced technology and software and the absence of stand-alone customer support sales prices, customer billings and incremental direct costs related to these contracts are required to be deferred in accordance with U.S. GAAP for income statement recognition purposes and amortized ratably over the life of the contracts. This deferral has no impact on cash flow since billings to customers occur as the network infrastructure and related endpoints are deployed and the associated costs are incurred, generally over the first several years of the contract term. To enhance the comparability and usefulness of its financial information, the Company provides certain non-GAAP measures to describe more fully the results of its underlying business. Specifically, the Company utilizes the measures of Adjusted Net Sales, Adjusted EBITDA and Adjusted Gross Profit, which are defined as follows:

- Adjusted Net Sales is defined as net sales as determined under U.S. GAAP adjusted to add back customer billings (net of amortization) related to multi-element contracts that have been deferred under the provisions of Accounting Standards Codification Topic 985-605, *Software – Revenue Recognition* (“ASC 985-605”), formerly SOP 97-2.
- Adjusted EBITDA is defined as consolidated earnings before interest expense, depreciation and amortization, and income taxes plus (a) customer billings less the associated incremental direct costs (both net of amortization) related to multi-element contracts that have been deferred under ASC 985-605, (b) restructuring costs, (c) management fees and (d) acquisition-related costs, and adjusted for other nonrecurring items.
- Adjusted Gross Profit is defined as gross profit as determined under U.S. GAAP adjusted to add back customer billings less the associated incremental direct costs (both net of amortization) related to multi-element contracts that have been deferred under ASC 985-605 plus acquisition-related costs, and adjusted for other nonrecurring items.

Information regarding Adjusted Net Sales, Adjusted EBITDA and Adjusted Gross Profit is provided because management considers these measures important in evaluating and understanding the Company’s operating and financial performance. Management believes these measures provide useful information for investors in trending, analyzing and benchmarking the performance and value of the business. Internally, the measures of Adjusted Net Sales and Adjusted EBITDA are used in our incentive compensation plans. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by adjusting for certain items that may not be indicative of our recurring core operating results. Management also believes that Adjusted Net Sales, Adjusted EBITDA and Adjusted Gross Profit provide important performance measures to our management and investors because they reflect customer billings (net of related incremental costs, in the case of Adjusted EBITDA and Adjusted Gross Profit) that we are required to defer under ASC 985-605. These measures help our management and investors to better quantify the growth of our AMI technology solutions business. However, 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 Company’s operating and other financial information 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 September 30, 2009	Fiscal Quarter Ended September 30, 2008	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008
Net sales	\$ 153.3	\$ 176.2	\$ 298.3	\$ 361.3
Customer billings from contracts deferred under ASC 985-605 (net of amortization)	50.2	30.4	103.9	51.1
Adjusted Net Sales	<u>\$ 203.5</u>	<u>\$ 206.6</u>	<u>\$ 402.2</u>	<u>\$ 412.4</u>
	Fiscal Quarter Ended September 30, 2009	Fiscal Quarter Ended September 30, 2008	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008
Consolidated net loss	\$ (18.6)	\$ (5.0)	\$ (32.9)	\$ (7.1)
Depreciation and amortization	11.0	11.1	21.8	22.0
Interest expense, net	11.7	10.0	20.7	19.8
Income tax benefit	(11.0)	(2.9)	(19.8)	(3.7)
Customer billings less incremental direct costs from contracts deferred under ASC 985-605 (net of amortization)	21.7	12.9	44.0	21.1
Restructuring costs	3.0	0.8	9.8	2.1
Management fees	0.7	0.8	1.6	1.4
Acquisition-related costs	0.9	—	0.9	—
Loss on debt extinguishment	5.9	—	5.9	—
Other nonrecurring items	0.2	—	0.2	—
Adjusted EBITDA	<u>\$ 25.5</u>	<u>\$ 27.7</u>	<u>\$ 52.2</u>	<u>\$ 55.6</u>
	Fiscal Quarter Ended September 30, 2009	Fiscal Quarter Ended September 30, 2008	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008
Gross profit	\$ 32.5	\$ 41.4	\$ 62.6	\$ 87.0
Customer billings less incremental direct costs from contracts deferred under ASC 985-605 (net of amortization)	21.7	12.9	44.0	21.1
Acquisition-related costs	0.2	—	0.2	—
Other nonrecurring items	—	—	—	—
Adjusted Gross Profit	<u>\$ 54.4</u>	<u>\$ 54.3</u>	<u>\$ 106.8</u>	<u>\$ 108.1</u>

**(2) Book-to-bill**

Book-to-bill is calculated as orders received during the quarter divided by Adjusted Net Sales.

(more)

**FISCAL 2009 SECOND QUARTER UNAUDITED GAAP FINANCIAL STATEMENTS**

**SENSUS (BERMUDA 2) LTD.  
CONSOLIDATED BALANCE SHEETS  
(in millions, except per share and share data)**

	<u>September 30, 2009</u> (unaudited)	<u>March 31, 2009</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 34.0	\$ 37.9
Accounts receivable:		
Trade, net of allowance for doubtful accounts of \$1.1 and \$1.2, respectively	104.7	112.8
Other	1.8	2.9
Inventories, net	66.5	66.4
Prepayments and other current assets	14.5	11.8
Deferred income taxes	7.6	6.5
Deferred costs	16.2	10.6
Total current assets	<u>245.3</u>	<u>248.9</u>
Property, plant and equipment, net	137.6	131.5
Intangible assets, net	192.4	187.3
Goodwill	428.5	394.5
Deferred income taxes	55.5	39.5
Deferred costs	143.1	88.7
Other long-term assets	24.7	21.9
Total assets	<u>\$ 1,227.1</u>	<u>\$1,112.3</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 79.1	\$ 87.1
Accruals and other current liabilities	96.0	80.7
Current portion of long-term debt	22.4	38.5
Short-term borrowings	4.9	4.9
Income taxes payable	—	2.9
Restructuring accruals	10.1	7.3
Deferred revenue	29.3	19.0
Total current liabilities	<u>241.8</u>	<u>240.4</u>
Long-term debt, less current portion	446.2	395.5
Pensions	49.5	44.4
Deferred income taxes	76.4	76.4
Deferred revenue	244.4	149.8
Other long-term liabilities	21.2	27.6
Total liabilities	<u>1,079.5</u>	<u>934.1</u>
<b>STOCKHOLDER'S EQUITY:</b>		
Common stock, par value \$1.00 per share, 12,000 shares authorized, issued and outstanding	—	—
Paid-in capital	253.6	245.4
Accumulated deficit	(113.8)	(79.3)
Accumulated other comprehensive income	3.1	0.2
Total stockholder's equity	<u>142.9</u>	<u>166.3</u>
Noncontrolling interest	4.7	11.9
Total equity	<u>147.6</u>	<u>178.2</u>
Total liabilities and equity	<u>\$ 1,227.1</u>	<u>\$1,112.3</u>

(more)

**SENSUS (BERMUDA 2) LTD.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions)  
(unaudited)

	Fiscal Quarter Ended September 30, 2009	Fiscal Quarter Ended September 30, 2008	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008
<b>NET SALES</b>	\$ 153.3	\$ 176.2	\$ 298.3	\$ 361.3
<b>COST OF SALES</b>	120.8	134.8	235.7	274.3
<b>GROSS PROFIT</b>	32.5	41.4	62.6	87.0
<b>OPERATING EXPENSES:</b>				
Selling, general and administrative expenses	36.6	34.4	71.9	67.8
Restructuring costs	3.0	0.8	9.8	2.1
Amortization of intangible assets	3.0	3.6	5.8	7.2
Loss on debt extinguishment	5.9	—	5.9	—
Acquisition-related costs	0.7	—	0.7	—
Other operating expense, net	1.0	0.6	1.8	1.3
<b>OPERATING (LOSS) INCOME</b>	(17.7)	2.0	(33.3)	8.6
<b>NON-OPERATING (EXPENSE) INCOME:</b>				
Interest expense, net	(11.7)	(10.0)	(20.7)	(19.8)
Other (expense) income, net	(0.2)	0.1	1.3	0.4
<b>LOSS BEFORE INCOME TAXES</b>	(29.6)	(7.9)	(52.7)	(10.8)
<b>BENEFIT FOR INCOME TAXES</b>	(11.0)	(2.9)	(19.8)	(3.7)
<b>CONSOLIDATED NET LOSS</b>	(18.6)	(5.0)	(32.9)	(7.1)
<b>LESS: NET INCOME ATTRIBUTABLE TO THE NONCONTROLLING INTEREST</b>	(0.8)	(0.7)	(1.6)	(1.1)
<b>NET LOSS ATTRIBUTABLE TO CONTROLLING INTEREST</b>	\$ (19.4)	\$ (5.7)	\$ (34.5)	\$ (8.2)

(more)

**SENSUS (BERMUDA 2) LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)  
(unaudited)

	<u>Six Months Ended September 30, 2009</u>	<u>Six Months Ended September 30, 2008</u>
<b>OPERATING ACTIVITIES:</b>		
Consolidated net loss	\$ (32.9)	\$ (7.1)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	12.7	13.9
Amortization of intangible assets	5.8	7.2
Amortization of software development costs	3.3	0.9
Amortization of deferred financing costs	1.5	1.7
Deferred income tax	(17.8)	—
Net gain on foreign currency transactions	(0.5)	(0.4)
Loss on debt extinguishment	5.9	—
Changes in assets and liabilities used in operations, net of effects of acquisitions:		
Accounts receivable	12.7	(6.4)
Inventories	3.2	(2.2)
Other current assets	2.6	0.1
Accounts payable, accruals and other current liabilities	(15.3)	(2.3)
Income taxes payable	(6.2)	(5.8)
Deferred revenue less deferred costs primarily from long-term AMI electric and gas contracts	44.0	21.3
Other	(0.8)	0.7
Net cash provided by operating activities	<u>18.2</u>	<u>21.6</u>
<b>INVESTING ACTIVITIES:</b>		
Expenditures for property, plant and equipment	(14.4)	(12.7)
Purchases of intangible assets	(3.9)	—
Software development costs	(4.4)	(3.6)
AMDS contingent payments	(13.4)	(4.6)
Telemetric acquisition	(6.8)	—
Net cash used in investing activities	<u>(42.9)</u>	<u>(20.9)</u>
<b>FINANCING ACTIVITIES:</b>		
Increase in short-term borrowings	—	0.2
Proceeds from debt issuance	35.0	—
Debt issuance costs	(8.8)	—
Purchase of PDC Rongtai noncontrolling interest	(6.0)	—
Principal payments on debt	(0.4)	(11.2)
Net cash provided by (used in) financing activities	<u>19.8</u>	<u>(11.0)</u>
Effect of exchange rate changes on cash	1.0	0.1
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(3.9)</u>	<u>(10.2)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>\$ 37.9</u>	<u>\$ 37.6</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 34.0</u>	<u>\$ 27.4</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW:</b>		
Cash paid during the period for:		
Interest	<u>\$ 18.5</u>	<u>\$ 17.9</u>
Income taxes, net of refunds	<u>\$ 4.2</u>	<u>\$ 2.1</u>

(more)

**SENSUS (BERMUDA 2) LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)  
(unaudited)

	<b>Fiscal Quarter Ended September 30, 2009</b>	<b>Fiscal Quarter Ended September 30, 2008</b>
<b>OPERATING ACTIVITIES:</b>		
Consolidated net loss	\$ (18.6)	\$ (5.0)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	6.4	7.0
Amortization of intangible assets	3.0	3.6
Amortization of software development costs	1.6	0.5
Amortization of deferred financing costs	0.8	1.0
Deferred income taxes	(17.8)	—
Net loss on foreign currency transactions	0.5	0.1
Loss on debt extinguishment	5.9	—
Changes in assets and liabilities used in operations, net of effects of acquisitions:		
Accounts receivable	9.7	(0.2)
Inventories	3.7	(1.4)
Other current assets	1.5	4.5
Accounts payable, accruals and other current liabilities	(4.0)	(1.2)
Income taxes payable	4.8	(5.8)
Deferred revenue less deferred costs primarily from long-term AMI electric and gas contracts	21.7	13.1
Other	0.8	0.2
Net cash provided by operating activities	<u>20.0</u>	<u>16.4</u>
<b>INVESTING ACTIVITIES:</b>		
Expenditures for property, plant and equipment	(7.9)	(6.7)
Purchases of intangible assets	(3.9)	—
Software development costs	(2.1)	(1.7)
AMDS contingent payments	(13.4)	(4.6)
Telemetric acquisition	(6.8)	—
Net cash used in investing activities	<u>(34.1)</u>	<u>(13.0)</u>
<b>FINANCING ACTIVITIES:</b>		
Increase in short-term borrowings	—	0.1
Proceeds from debt issuance	35.0	—
Debt issuance costs	(8.8)	—
Purchase of PDC Rongtai noncontrolling interest	(6.0)	—
Principal payments on debt	(0.4)	(4.2)
Net cash provided by (used in) financing activities	<u>19.8</u>	<u>(4.1)</u>
Effect of exchange rate changes on cash	0.4	(0.5)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>6.1</u>	<u>(1.2)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>\$ 27.9</u>	<u>\$ 28.6</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 34.0</u>	<u>\$ 27.4</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW:</b>		
Cash paid during the period for:		
Interest	<u>\$ 5.9</u>	<u>\$ 3.1</u>
Income taxes, net of refunds	<u>\$ 2.2</u>	<u>\$ 1.6</u>

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