DYCOM INDUSTRIES INC
Form S-4/A
January 25, 2006

Table of Contents

As filed with the Securities and Exchange Commission on January 25, 2006

Registration No. 333-13019422

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

Amendment No. 1
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

DYCOM INVESTMENTS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**1623**	**30-0128712**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

11770 U.S. Highway 1, Suite 101
Palm Beach Gardens, Florida 33408
(561) 627-7171
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

SEE TABLE OF ADDITIONAL REGISTRANTS

Richard B. Vilsoet
Secretary
Dycom Investments, Inc.
11770 U.S. Highway 1, Suite 101
Palm Beach Gardens, Florida 33408
(561) 627-7171
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
Thomas J. Friedmann
Shearman & Sterling LLP
801 Pennsylvania Avenue, N.W.
Washington, DC 20004-2604
(202) 508-8000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

TABLE OF ADDITIONAL REGISTRANTS

Name*	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Primary Standard Industrial Classification Code	Principal Executive Office
Ansco & Associates, LLC	Delaware	22-3882751	1623	207 South Westgate Drive, Suite E Greensboro, NC 27407 (336) 852-3433
Apex Digital, LLC	Delaware	22-3882756	1623	450 Pryor Boulevard Sturgis, KY 42459 (270) 333-3366
C-2 Utility Contractors, LLC	Delaware	14-1859234	1623	33005 Roberts Court Coburg, OR 97408 (541) 741-2211
CableCom, LLC	Delaware	14-1859237	1623	8602 Maltby Road Woodinville, WA 98072 (360) 668-1300
Can-Am Communications, Inc.	Delaware	02-0413153	1623	250 Fischer Avenue Costa Mesa, CA 92626 (714) 966-8500
Communications Construction Group, LLC	Delaware	22-3882744	1623	P.O. Box 561 OR 235 East Gay Street West Chester, PA 19380 (610) 696-1800
Dycom Capital Management, Inc.	Delaware	61-1431611	1623	11770 U.S. Highway 1, Suite 101 Palm Beach Gardens, FL 33410 (561) 627-7171
Dycom Identity, LLC	Delaware	01-0775293	1623	11770 U.S. Highway 1, Suite 101 Palm Beach Gardens, FL 33410 (561) 627-7171
Dycom Industries, Inc.	Florida	59-1277135	1623	11770 U.S. Highway 1, Suite 101 Palm Beach Gardens, FL 33410 (561) 627-7171
Ervin Cable Construction, LLC	Delaware	22-3882749	1623	450 Pryor Boulevard Sturgis, KY 42459 (270) 333-3366
Globe Communications, LLC	North Carolina	14-1859226	1623	115 Surfrider Blvd., Bldg. B, Suite 3 Longs, SC 29568 (843) 390-5544
Installation Technicians, LLC	Florida	22-3882752	1623	6621 Asheville Hwy Knoxville, TN 37924

				(800) 426-5382
Ivy H. Smith Company, LLC	Delaware	22-3882755	1623	207 South Westgate Drive, Suite E Greensboro, NC 27407 (336) 852-3433

Table of Contents

Name*	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Primary Standard Industrial Classification Code	Principal Executive Office
Lamberts Cable Splicing Company, LLC	Delaware	05-0542669	1623	2521 South Wesleyan Boulevard Rocky Mount, NC 27803 (252) 442-9777
Locating, Inc.	Washington	91-1238745	1623	165 N.E. Juniper, Suite 200 Issaquah, WA 98027 (425) 392-6412
Nichols Construction, LLC	Delaware	05-0542659	1623	Route 627, Dry Fork Road P.O. Box 1179 Vansant, VA 24656 (276) 597-7441
Niels Fugal Sons Company, LLC	Delaware	05-0542654	1623	1005 South Main Pleasant Grove, UT 84062 (801) 785-3152
Point to Point Communications, Inc.	Louisiana	72-0968130	1623	107 Nolan Road Broussard, LA 70518 (337) 837-0090
Precision Valley Communications of Vermont, LLC	Delaware	81-0581053	1623	333 River Street Springfield, VT 05156 (800) 773-0317
RJE Telecom, LLC	Delaware	57-1209651	1623	7290 College Parkway, Suite 200 Ft. Myers, FL 33907 (239) 454-1944
Schenck Communications Limited Partnership	Alaska	52-2275909	1623	8602 Maltby Road Woodinville, WA 98072 (360) 668-1300
Star Construction, LLC	Delaware	14-1856794	1623	6621 Asheville Highway Knoxville, TN 37924 (865) 521-6795
Stevens Communications, LLC	Delaware	05-0542662	1623	995 Cripple Creek Drive Lawrenceville, GA 30043 (800) 367-6606
S.T.S., LLC	Tennessee	48-1287356	1623	500 Northridge Road, Suite 300 Atlanta, GA 30350 (877) 461-3901
TCS Communications, LLC	Delaware	14-1856793	1623	7800 E. Orchard Road, Suite 280 Greenwood Village, CO 80111 (303) 377-3800
Tesinc, LLC	Delaware	14-1856791	1623	

6401 Harney Road,
Suite A
Tampa, FL 33610
(813) 623-1233

Table of Contents

Name*	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Primary Standard Industrial Classification Code	Principal Executive Office
Underground Specialties, LLC	Delaware	14-1856787	1623	16000 Mill Creek Blvd., Suite 210 Mill Creek, WA 98012 (425) 356-2621
US Communications Contractors, LLC	Delaware	14-1856786	1623	4308 Carlisle Boulevard, NE, Suite 120 Albuquerque, NM 87107 (505) 344-2351
UtiliQuest, LLC	Georgia	58-2379970	1623	500 Northridge Road Atlanta, GA 30350 (678) 461-3900
White Mountain Cable Construction, LLC	Delaware	14-1856798	1623	2113 Dover Road Epsom, NH 03234 (800) 233-7350

* The name, address, including zip code, and telephone number, including area code, of the agent for service for each additional registrant is Richard B. Vilsoet, Secretary, Dycom Investments, Inc., 11770 U.S. Highway 1, Suite 101, Palm Beach Gardens, Florida 33408, (561) 627-7171.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED JANUARY 24, 2006

Offer to Exchange
all outstanding
8 1/8% Senior Subordinated Notes due 2015
($150,000,000 aggregate principal amount outstanding)
for
8 1/8% Senior Subordinated Notes due 2015
which have been registered under the Securities Act
of
Dycom Investments, Inc.
Guaranteed on a Senior Subordinated basis By
Dycom Industries, Inc.
and Certain of its Subsidiaries

Dycom Investments, Inc., or the issuer, hereby offers, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, which together constitute the exchange offer, to exchange $150,000,000 aggregate principal amount of its new 8 1/8% Senior Subordinated Notes due 2015, or the new notes, for $150,000,000 aggregate principal amount of its issued and outstanding 8 1/8% Senior Subordinated Notes due 2015, or the old notes and, collectively with the new notes, the notes.

The Exchange Offer

The exchange offer will expire at 12:00 midnight, New York City time, on , 2006, unless extended.

All old notes that are validly tendered and not validly withdrawn will be exchanged.

Tenders of old notes may be withdrawn any time prior to 12:00 midnight, New York City time, on the date of expiration of the exchange offer.

The exchange of notes will not be a taxable exchange for U.S. federal income tax purposes.

The issuer will not receive any proceeds from the exchange offer.

The New Notes

The terms of the new notes to be issued are identical in all material respects to the outstanding old notes, except for the transfer restrictions and additional interest provisions relating to the old notes.

The new notes will be the issuer s unsecured senior subordinated obligations and will be subordinated to all of its existing and future senior indebtedness. The new notes will rank equally with the issuer s existing and future senior subordinated indebtedness and senior to all of its existing and future indebtedness expressly subordinated to the new notes. Dycom Industries, Inc. and its existing and future subsidiaries that guarantee any credit facility of Dycom Industries, Inc. will also guarantee the new notes on an unsecured senior subordinated basis. The new notes and the guarantees will also be effectively subordinated to all existing and future secured indebtedness of the issuer and the guarantors to the extent of the value of the assets securing such indebtedness.

No public market exists for the old notes or the new notes. The issuer does not intend to apply for listing of the new notes on any securities exchange or to arrange for them to be quoted on any quotation system.

See Risk Factors beginning on page 8 for a discussion of matters that should be considered in connection with the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2006.

AVAILABLE INFORMATION

We are incorporating by reference into this prospectus important business and financial information that is not included in or delivered with the prospectus. This information is available without charge to security holders upon written or oral request. Requests should be directed to:

Dycom Industries, Inc.
11770 U.S. Highway 1, Suite 101
Palm Beach Gardens, FL 33408
(561) 627-7171
Attn: Investor Relations

In order to ensure timely delivery of documents, security holders must request this information no later than five business days before the date they must make their investment decision. Accordingly, any request for documents should be made by , 2006 to ensure timely delivery of the documents prior to the expiration of the exchange offer.

TABLE OF CONTENTS

Each holder of old notes wishing to accept this exchange offer must deliver the old notes to be exchanged, together with the letter of transmittal that accompanies this prospectus and any other required documentation, to the exchange agent identified in this prospectus. Alternatively, you may effect a tender of old notes by book-entry transfer into the exchange agent s account at The Depository Trust Company, or DTC. All deliveries are at the risk of the holder. You can find detailed instructions concerning delivery in the section called The Exchange Offer in this prospectus and in the accompanying letter of transmittal.

If you are a broker-dealer that receives new notes pursuant to this exchange offer in exchange for old notes acquired for your own account as a result of market-making activities or other trading activities, you must acknowledge that you will deliver a prospectus in connection with any resale of the new notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, you will not be deemed to admit that you are an underwriter within the meaning of the Securities Act of 1933, or the Securities Act. If you are a broker-dealer that acquired old notes directly from the issuer, you will not be able to participate in the exchange offer. For more information, see the section called Plan of Distribution in this prospectus.

Table of Contents

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different or additional information. You should assume that the information contained or incorporated by reference in this prospectus is accurate only as of the date of this prospectus or the date of the document incorporated by them. We are not making an offer of exchange in any jurisdiction where the offer is not permitted.

FORWARD-LOOKING STATEMENTS

This prospectus including any documents incorporated by reference or deemed to be incorporated by reference contains forward-looking statements, which are statements relating to future events, future financial performance, strategies, expectations, and competitive environment. Words such as may, will, should, could, would, predicts potential, continue, expects, anticipates, future, intends, plans, believes, estimates and similar expres statements in future tense, identify forward-looking statements.

You should not read forward-looking statements as a guarantee of future performance or results. They will not necessarily be accurate indications of whether or at what time such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management s good faith belief at that time with respect to future events. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include:

economic conditions in the telecommunications industry and in the economy generally;

the cyclical nature of the telecommunications industry;

our success in entering into, renewing or replacing our master service agreements;

technological and structural changes in the industries we serve;

our dependence on a limited number of customers;

competitive pressures in our industry;

fixed prices under our master service agreements limiting our ability to pass on any increase in our costs;

collectibility of accounts receivable and cost and estimated earnings in excess of billing;

our reliance to a significant extent on self-insurance for our operations;

changes in our management;

our ability to integrate acquisitions;

uncertainty regarding the revenue to be recognized under our master service agreements and other long-term agreements;

goodwill impairment charges;

changes in the capital expenditure budgets of our customers;

restrictions imposed by our senior credit facility and the indenture governing the notes;

the use of our cash flow to service our debt;

and other factors discussed under the heading Risk Factors in this prospectus and Management s Discussion and Analysis of Financial Condition and Results of Operations and Business in our Form 10-K for fiscal year 2005, incorporated by reference in this prospectus. See Incorporation by Reference.

Our forward-looking statements are expressly qualified in their entirety by this cautionary statement. We make these forward-looking statements only as of the date of this prospectus, and we undertake no obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise.

Table of Contents

SUMMARY

The following is a summary of the more detailed information appearing elsewhere in this prospectus. This summary may not contain all of the information that may be important to you. You should read this entire prospectus, including Risk Factors and the additional information, including the financial statements and related notes, included or incorporated by reference in this prospectus, before making a decision to participate in this exchange offer. See Incorporation by Reference. In this prospectus, except as otherwise indicated, Dycom, we, our, and us refer to L Industries, Inc. and its consolidated subsidiaries. References to Holdings refer only to Dycom Industries, Inc. and references to the issuer refer only to Dycom Investments, Inc. References to fiscal year refer to the 12-month period ending on the last Saturday in July of the applicable year.

The Exchange Offer

On October 11, 2005, we completed the private offering of $150 million of $8^{1}/8$% senior subordinated notes due 2015. Concurrently, we entered into a registration rights agreement with the initial purchasers in the private offering in which we agreed to deliver to you this prospectus and to complete the exchange offer within 30 business days of the effectiveness of the registration statement of which this prospectus forms a part. In the exchange offer, you are entitled to exchange your outstanding old notes for new notes with substantially identical terms that have been registered under the Securities Act. You should read the discussion under the heading Description of the New Notes for further information regarding the new notes.

We believe that the new notes issued in the exchange offer may be resold by you without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to certain conditions. You should read the discussion under the heading The Exchange Offer for further information regarding the exchange offer.

The issuer is a direct wholly owned subsidiary of Dycom Industries, Inc. The issuer is an intermediate holding company having no operations and no significant assets other than the capital stock of the operating subsidiaries of Dycom Industries, Inc.

The Company

We are a leading provider of specialty contracting services. These services are provided throughout the United States and include engineering, construction, maintenance and installation services to telecommunications providers, underground locating services to various utilities including telecommunications providers, and other construction and maintenance services to electric utilities and others. For the fiscal year ended July 30, 2005, specialty contracting services related to the telecommunications industry, underground utility locating, and electric and other construction and maintenance to electric utilities and others contributed approximately 74.3%, 21.6%, and 4.1%, respectively, to our total revenues. For fiscal year 2005, we generated revenues of $986.6 million. For the fiscal 2006 first quarter ended October 29, 2005, specialty contracting services related to the telecommunications industry, underground utility locating, and electric and other construction and maintenance to electric utilities and others contributed approximately 70.6%, 22.2%, and 7.2%, respectively, to our total revenues. For the fiscal 2006 first quarter ended October 29, 2005, we generated revenues of $260.9 million.

We have established relationships with many leading telephone companies, cable television multiple system operators, a direct broadcast satellite operator, and electric utilities, including Verizon Communications Inc. (Verizon), BellSouth Corporation (BellSouth), Comcast Cable Corporation (Comcast), Sprint Nextel Corporation (Sprint), Qwest Communications International, Inc. (Qwest), Charter Communications, Inc. (Charter), DIRECTV Group, Inc. (DIRECTV), Alltel Corporation (Alltel), and Adelphia Communications Corporation (Adelphia). We are party to over 200 master service agreements. During fiscal 2005, approximately 88.8% of our total revenues were produced by multi-year master service agreements and other long-term agreements. During the first quarter of fiscal 2006, approximately 81.2% of our total revenues were produced by multi-year master service agreements and other long-term agreements.

Table of Contents

Recent Developments

On October 17, 2005, we accepted for purchase 8,763,451 shares of our common stock that were properly tendered and not withdrawn pursuant to a modified Dutch Auction tender offer, at a purchase price of $21.00 per share, for a total cost of approximately $184.0 million. The tender offer was financed with the proceeds of the issuance of the old notes, borrowings of $33.0 million from our senior credit facility and cash on hand.

On December 19, 2005, we announced that we had acquired all of the issued and outstanding common stock of Prince Telecom Holdings, Inc., a Delaware corporation, for approximately $65.1 million in cash. Prince Telecom installs and maintains customer premise equipment, including set top boxes and cable modems, for leading cable multiple systems operators throughout the United States.

Our principal executive offices are located at 11770 US Highway 1, Suite 101, Palm Beach Gardens, Florida 33408, and our telephone number is (561) 627-7171. Our website is located at www.dycomind.com. The information on this website is not part of this prospectus.

Table of Contents

Summary of the Terms of the Exchange Offer

On October 11, 2005, the issuer issued $150 million aggregate principal amount of unregistered $8^1/8$% senior subordinated notes due 2015. These old notes are guaranteed on an unsecured senior subordinated basis by Dycom and its existing subsidiaries that guarantee Dycom s credit facility. The exchange offer relates to the exchange of up to $150 million aggregate principal amount of old notes for an equal aggregate principal amount of new notes. The new notes will be the issuer s obligations entitled to the benefits of the indenture that also governs the old notes. The form and terms of the new notes are identical in all material respects to the form and terms of the old notes, except that the new notes have been registered under the Securities Act, and therefore will not have restrictions on transfer or provisions relating to the payment of additional interest.

Registration rights agreement You are entitled to exchange your notes for registered notes with terms that are identical in all material respects. The exchange offer is intended to satisfy these rights. After the exchange offer is complete, you will generally no longer be entitled to any exchange or registration rights with respect to your notes.

The exchange offer The issuer is offering to exchange $1,000 principal amount of its $8^1/8$% senior subordinated notes due 2015 which have been registered under the Securities Act for each $1,000 principal amount of its outstanding $8^1/8$% senior subordinated notes due 2015 which were issued on October 11, 2005 in a private offering. In order to be exchanged, an old note must be properly tendered and accepted. Subject to termination of the exchange offer, all old notes that are validly tendered and not validly withdrawn will be exchanged. As of the date of this prospectus there are $150 million principal amount of old notes outstanding. The issuer will issue new notes promptly after the expiration of the exchange offer.

Resale of the new notes Based on interpretations by the staff of the SEC, we believe that you will be able to resell the new notes without compliance with the registration and prospectus delivery provisions of the Securities Act if:

you are acquiring the new notes in the ordinary course of your business;

you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the new notes issued to you in the exchange offer; and

you are not an affiliate of ours.

If any of these conditions are not satisfied, (1) you will not be eligible to participate in the exchange offer, (2) you should not rely on the interpretations of the staff of the SEC in connection with the exchange offer and (3) you must comply with the registration and prospectus delivery requirements of the Securities Act, or an exemption from those requirements, in connection with the resale of your notes.

If you are a broker-dealer and you will receive new notes in exchange for old notes that you acquired for your own account as a result of market-making activities or other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of the new notes. See Plan of Distribution for a description of the prospectus delivery obligations of broker-dealers in the exchange offer.

3

Table of Contents

In accordance with the conditions, if you are a broker-dealer that acquired the old notes directly from the issuer in the initial offering and not as a result of market-making activities, you will not be eligible to participate in the exchange offer.

Expiration date

The exchange offer will expire at 12:00 midnight, New York City time, , 2006, unless we decide to extend the expiration date.

Accrued interest on the new notes and the old notes

The new notes will bear interest from October 11, 2005. Holders of old notes whose notes are accepted for exchange will be deemed to have waived the right to receive any payment of interest on such old notes accrued from October 11, 2005 to the date of the issuance of the new notes. Consequently, holders who exchange their old notes for new notes will receive the same interest payment on April 15, 2006 (the first interest payment date with respect to the new notes to be issued in the exchange offer) that they would have received had they not accepted the exchange offer.

Termination of the exchange offer

We may terminate the exchange offer if we determine that the exchange offer could be materially impaired due to any action or proceeding instituted or threatened in any court or by or before any governmental agency, or that the exchange offer violates applicable law or any interpretation of the staff of the SEC of applicable law. We do not expect any of these conditions to occur, although we can offer no assurance that such conditions will not occur. Should we fail to consummate the exchange offer, holders of old notes will have the right under the registration rights agreement executed as part of the offering of the old notes to require us to file a shelf registration statement relating to the resale of the old notes.

Procedures for tendering old notes

If you are a holder of a note and you wish to tender your note for exchange pursuant to the exchange offer, you must transmit to Wachovia Bank, National Association, as exchange agent, on or prior to the expiration date of the exchange offer:

either:

a properly completed and duly executed letter of transmittal, which accompanies this prospectus, or a facsimile of the letter of transmittal, including all other documents required by the letter of transmittal, to the exchange agent at the address set forth on the cover page of the letter of transmittal; or

a computer-generated message transmitted by means of DTC s Automated Tender Offer Program system, or ATOP, and received by the exchange agent and forming a part of a confirmation of book entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; and

a timely confirmation of book-entry transfer of your old notes into the exchange agent s account at The Depository Trust Company, or DTC, pursuant to the procedure for book-entry transfers described in this prospectus under the heading The Exchange Offer Procedure for Tendering.

By executing the letter of transmittal, or sending a message through ATOP, each holder will represent to us that: (1) the notes to be issued in the exchange offer are being obtained in the ordinary

4

Table of Contents

	course of business of the person receiving such new notes, whether or not such person is the holder, (2) neither the holder nor any such other person has an arrangement or understanding with any person to participate in the distribution of such new notes and (3) neither the holder nor any such other person is an affiliate (as defined in Rule 405 under the Securities Act) of ours.
Special procedures for beneficial owners	If you are the beneficial owner of notes and your name does not appear on a security position listing of DTC because your notes are held by a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your notes in the exchange offer, you should promptly contact such person in whose name your notes are held and instruct such person to tender on your behalf.
Withdrawal rights	You may withdraw the tender of your notes at any time prior to 12:00 midnight, New York City time, on the expiration date of the exchange offer.
Acceptance of old notes and delivery of new notes	Subject to the conditions summarized above in Termination of the Exchange Offer and described more fully under The Exchange Offer Termination , we will accept for exchange any and all outstanding old notes which are properly tendered in the exchange offer prior to 12:00 midnight, New York City time, on the expiration date of the exchange offer. The new notes issued pursuant to the exchange offer will be delivered promptly following the expiration date.
Material U.S. federal income tax consequences	The exchange of the notes pursuant to the exchange offer will not be a taxable exchange for U.S. federal income tax purposes. See Material U.S. Federal Income Tax Considerations for more information.
Consequences of failure to exchange	If you are eligible to participate in this exchange offer and you do not tender your old notes as described in this prospectus, you will not have any further registration rights. In that case, your old notes will continue to be subject to restrictions on transfer. As a result of the restrictions on transfer and the availability of new notes, the old notes are likely to be much less liquid than before the exchange offer. The old notes will, after the exchange offer, bear interest at the same rate as the new notes.
Use of proceeds	The issuer will not receive any proceeds from the issuance of notes pursuant to the exchange offer. We will pay all expenses incident to the exchange offer.
Exchange agent	Wachovia Bank, National Association, is serving as exchange agent in connection with the exchange offer. The exchange agent can be reached at (704) 590-7413. For more information with respect to the exchange offer, the telephone number for the exchange agent is (704) 590-7413 and the facsimile number for the exchange agent is (704) 590-7628.

Table of Contents

Summary Description of the New Notes

The following is a brief summary of some of the terms of the new notes. For a more complete description of the terms of the new notes, see Description of the New Notes contained elsewhere in this prospectus.

Issuer	Dycom Investments, Inc., a direct wholly owned subsidiary of Dycom Industries, Inc.
Notes offered	$150,000,000 aggregate principal amount of $8^{1}/8\%$ senior subordinated notes due 2015.
Maturity	October 15, 2015.
Interest Payment Dates	April 15 and October 15, commencing April 15, 2006.
Guarantees	Dycom Industries, Inc., our parent company, and its existing and future subsidiaries that guarantee any credit facility of Dycom Industries, Inc. will also guarantee the new notes on an unsecured senior subordinated basis. See Description of the New Notes Note Guarantees.
Ranking	The new notes will be the issuer s unsecured senior subordinated obligations and will: rank junior to all of the issuer s existing and future senior indebtedness; rank equally with the issuer s existing and future senior subordinated indebtedness, including any old notes that remain outstanding; rank senior to all of the issuer s existing and future indebtedness expressly subordinated to the new notes; and be effectively subordinated to all of the issuer s existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. Similarly, the guarantees of the new notes will: rank junior to all of the existing and future senior indebtedness of the guarantors, which will include the obligations of Dycom Industries, Inc. and the subsidiary guarantors under its senior credit facility; rank equally with the existing and future senior subordinated indebtedness of such guarantors; rank senior to all of the existing and future indebtedness of such guarantors expressly subordinated to the guarantees; and be effectively subordinated to all of the existing and future secured indebtedness of such guarantors to the extent of the value of the assets securing such indebtedness. As of October 29, 2005, in addition to outstanding indebtedness under the old notes, the issuer, Dycom Industries, Inc. and the other guarantors had approximately

$82.2 million of senior debt outstanding, including $43.2 million face amount of letters of credit. In addition, we had approximately $223.8 million of unused commitments under our senior credit facility, of which approximately $149.8 million was available for borrowing and, if borrowed, would constitute senior debt. See Description of the

Table of Contents

	New Notes Brief Description of the New Notes and the Note Guarantees.
Optional Redemption	Before October 15, 2008, the issuer may redeem up to 35% of the aggregate principal amount of the new notes with the net proceeds of certain equity offerings of Dycom Industries, Inc. at 108.125% of the principal amount thereof, plus accrued interest to the redemption date, if at least 65% of the originally issued aggregate principal amount of the new notes remains outstanding. See Description of the New Notes Optional Redemption. In addition, at any time prior to October 15, 2010, the issuer may redeem the new notes, in whole or in part, at its option, at a redemption price equal to 100% of their principal amount plus a make-whole premium. See Description of the New Notes Optional Redemption. After October 15, 2010, the issuer may redeem some or all of the new notes at any time at the redemption prices set forth in the section Description of the New Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption.
Change of Control	Upon certain change of control events of Dycom Industries, Inc., each holder of new notes may require the issuer to purchase all or a portion of such holder s new notes at a purchase price equal to 101% of the principal amount thereof, plus accrued interest to the purchase date. See Description of the New Notes Repurchase at the Option of Holders Change of Control.
Certain Covenants	The indenture governing the new notes will contain covenants that will limit the ability of Dycom Industries, Inc., and the ability of certain of Dycom Industries, Inc. s subsidiaries, including those that guarantee the notes, to: pay dividends on, redeem or repurchase capital stock; make investments; incur indebtedness; and consolidate, merge or transfer all or substantially all of Dycom Industries, Inc. s or the issuer s assets. Some of these covenants will cease to be in effect if the new notes are rated investment grade, as defined in the indenture. These covenants are subject to important exceptions and qualifications, which are described under the heading Description of the New Notes in this prospectus.
Risk Factors	See Risk Factors for a discussion of factors you should carefully consider before deciding to tender your old notes in the exchange offer.

Table of Contents

RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information contained in this prospectus in connection with your investment in the new notes. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. Any of the following risks could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your original investment.

Risks Relating to the New Notes

Our indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under the notes.

We have a significant amount of indebtedness. On October 29, 2005, we had total outstanding indebtedness of $189.0 million, $43.2 million face amount of letters of credit outstanding, and $223.8 million of undrawn commitments under our senior credit facility. Also, after giving effect to the offering of old notes, our ratio of earnings to fixed charges would have been 3.6x, 5.7x, and 2.0x for the fiscal years ended July 30, 2005, July 31, 2004, and July 26, 2003, respectively. Our ratio of earnings to fixed charges for the fiscal 2006 first quarter ended October 29, 2005 was 13.3x.

Our indebtedness could have important consequences to you. For example, it could:

- make it more difficult for the issuer to satisfy its obligations with respect to the notes;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and changes in the industries we serve and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds.

In addition, the indenture contains, and our senior credit facility contains, financial and other restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts.

We and our subsidiaries have the ability to incur substantially more debt, which could further exacerbate the risks associated with our leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture do not fully prohibit us or our subsidiaries from doing so. At October 29, 2005, we had borrowing availability of $149.8 million under our senior credit facility based on the financial covenants of the senior credit facility, and all of those borrowings would rank senior to the notes and the guarantees. If new debt is added to our and our subsidiaries current debt levels, the related risks that we and they now face could intensify. See Description of Other Indebtedness.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the new notes, and to fund planned capital expenditures, will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our senior credit facility in an amount sufficient to enable

Table of Contents

us to pay our indebtedness, including the new notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, including the new notes, on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including our senior credit facility and the new notes, on commercially reasonable terms or at all.

Your right to receive payments on the new notes is junior to the issuer s existing indebtedness and possibly all of its future borrowings. Further, the guarantees of the new notes are junior to all of the guarantors existing indebtedness and possibly to all their future borrowings.

The new notes and the guarantees of the new notes rank behind all of the issuer s and the guarantors existing indebtedness (other than trade payables and the old notes) and all of their future borrowings (other than trade payables), except any future indebtedness that expressly provides that it ranks equal with, or subordinated in right of payment to, the new notes and the guarantees. As a result, upon any distribution to the issuer s creditors or the creditors of the guarantors in a bankruptcy, liquidation or reorganization or similar proceeding relating to the issuer or the guarantors or their property, the holders of the senior debt of the issuer and the guarantors will be entitled to be paid in full and in cash before any payment may be made with respect to the notes or the guarantees.

In addition, all payments on the new notes and the guarantees will be blocked in the event of a payment default on senior debt and may be blocked for up to 179 of 360 consecutive days in the event of certain non-payment defaults on senior debt. See Description of the New Notes Subordination.

In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to the issuer or the guarantors, holders of the new notes will participate with trade creditors and all other holders of the issuer s and the guarantors subordinated indebtedness in the assets remaining after the issuer and the guarantors have paid all of their senior debt. However, because the indenture requires that amounts otherwise payable to holders of the notes in a bankruptcy or similar proceeding be paid to holders of senior debt instead, holders of the new notes may receive less, ratably, than holders of trade payables in any such proceeding.

As of October 29, 2005, the new notes and the guarantees were subordinated to $39.0 million of senior debt and we had $223.8 million of undrawn commitments under our senior credit facility, of which approximately $149.8 million was available for borrowing. We will be permitted to borrow substantial additional indebtedness, including senior debt, in the future under the terms of the indenture.

The issuer is a holding company, and is dependent on the ability of its subsidiaries to distribute funds.

The issuer is a holding company and is dependent on the earnings and the distribution of funds from its subsidiaries to make payments on the new notes. None of our subsidiaries is obligated to make funds available to the issuer for payment on the new notes. Furthermore, our subsidiaries will be permitted under the terms of the indenture to incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to the issuer. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide the issuer with sufficient dividends, distributions or loans to fund payments on these notes when due. See Description of Other Indebtedness.

Your right to receive payments on the new notes could be adversely affected if any of our non-guarantor subsidiaries declare bankruptcy, liquidate, or reorganize.

Most of our subsidiaries will guarantee the new notes. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the issuer.

As of October 29, 2005, the new notes were effectively junior to $2.7 million of indebtedness and other liabilities (including trade payables and excluding $3.2 million of intercompany indebtedness owed to guarantors of the notes) of our non-guarantor subsidiaries. Our non-guarantor subsidiaries generated approximately 0.5% of our consolidated revenues in fiscal 2005 and held approximately 0.7% of our consolidated assets as of July 30, 2005. See note 21 to our audited consolidated financial statements included in this prospectus. Our non-guarantor subsidiaries generated 0.0% of our consolidated revenues in the first quarter of fiscal 2006 and held approximately 0.6% of our consolidated assets as of October 29, 2005.

The issuer may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture.

Upon the occurrence of certain specific kinds of change of control events, the issuer will be required to offer to repurchase all outstanding notes at 101% of the principal amount thereof plus accrued and unpaid interest and additional interest, if any, to the date of repurchase. However, it is possible that we and the issuer will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that restrictions in our senior credit facility will not allow such repurchases. If the issuer were unable to make the required repurchase of notes, it would constitute a default under the indenture. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a Change of Control under the indenture. See Description of the New Notes Repurchase at the Option of Holders Change of Control.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require note holders to return payments received from guarantors.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; and
- either:
  - was insolvent or rendered insolvent by reason of such incurrence; or
  - was engaged in a business or transaction for which the guarantor s remaining assets constituted unreasonably small capital; or
  - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets; or
- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

If you do not tender your old notes in this exchange offer, your notes will remain subject to transfer restrictions.

If you do not tender your old notes in this exchange offer, your notes will remain restricted securities and will be subject to transfer restrictions. As restricted securities, your old notes:

- may be resold only if registered pursuant to the Securities Act, if an exemption from registration is available, or if neither such registration nor such exemption is required by law; and will bear a legend restricting transfer in the absence of registration or an exemption from registration.

In addition, a holder of old notes who desires to sell or otherwise dispose of all or any part of its old notes under an exemption from registration under the Securities Act, if requested by us, must deliver to us an opinion of counsel, reasonably satisfactory in form and substance to us, that such exemption is available.

The issuer will no longer have to comply with the principal restrictive covenants of the indenture governing the notes after the notes are rated investment grade.

If the notes receive investment grade ratings by both Standard & Poor s Ratings Group and Moody s Investors Service, Inc. and no default or event of default with respect to the notes has occurred and is continuing, then many of the restrictive covenants in the indenture will cease to apply (see Description of the New Notes Certain Covenants) and holders of the notes will no longer be entitled to the benefit of such provisions. The elimination of these restrictive covenants in the indenture will, to the extent not otherwise restricted by other agreements governing indebtedness, permit the issuer and its subsidiaries, to, among other things, incur indebtedness, pay dividends, or make other restricted payments, incur liens or make investments, in each case which otherwise may not have been permitted pursuant to the indenture. As a result, we may be free to become more highly leveraged. It is possible that any such actions that would be permitted will increase the credit risk faced by the holders of the notes. These covenants will not apply even if the notes do not maintain their investment grade rating.

If an active trading market does not develop for the new notes you may not be able to resell them.

There is no established trading market for the new notes, and we cannot assure you that an active trading market will develop for the notes. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. Future trading prices of the notes will depend on many factors, including prevailing interest rates, our operating results and the market for similar securities. We do not intend to apply for listing of the new notes on any securities exchange, although we expect new notes to be eligible for trading on the Portal Market.

Risks Related to Our Business

Demand for our services is cyclical, dependent in large part on the telecommunications industry and could be adversely affected by an economic slowdown.

Demand for our services has been, and will likely continue to be, cyclical in nature and vulnerable to general downturns in the U.S. economy. In fiscal 2005 and in the first fiscal quarter of 2006, our telecommunications customers accounted for 74.3% and 70.6% of our revenues, respectively. During fiscal 2001 through fiscal 2003, certain segments of the telecommunications industry suffered a severe downturn that resulted in a number of our customers experiencing financial difficulties. Several of our customers filed for bankruptcy protection, including Adelphia and WorldCom. Additional bankruptcies or financial difficulties of companies in the telecommunications sector could reduce our cash flows and adversely impact our liquidity and profitability. During times of economic slowdown, the customers in the industries we serve often reduce their capital expenditures and defer or cancel pending infrastructure projects. Such developments occur even among customers that are not experiencing financial difficulties. Future economic slowdowns in the industries we serve may impair the financial condition of some of our customers, which may cause them to reduce their capital expenditures and demand for our specialty contracting services and may hinder their ability to pay us on a timely basis or at all.

We derive a significant portion of our revenues from master service agreements, which may be cancelled upon short notice, and we may be unsuccessful in replacing these agreements as they are completed or expire.

We currently derive a significant portion of our revenues from master service agreements. By their terms, the majority of these contracts may be cancelled by our customers upon short notice, even if we are not in default under these agreements. In addition, projected expenditures by customers under these agreements are not assured until such time as a definitive work order is placed and completed. If a significant customer cancels a master service agreement with us and we were unable to replace the

Table of Contents

agreement with another on similar terms, our results of operations, cash flows and liquidity could be adversely affected. Recently we have been able to extend some of these agreements on negotiated terms. Market conditions could change, however, and we may not be able to continue to obtain or extend master service agreements through negotiation, and we may be underbid by competitors in an ensuing competitive bidding process. The loss of work obtained through master service agreements could adversely affect our results of operations, cash flows and liquidity.

The industries we serve are subject to rapid technological and structural changes that could reduce the need for our services and adversely affect our revenues.

The telecommunications industry is characterized by rapid technological change, evolving industry standards and changing customer needs. We generate a significant portion of our revenues from customers in the telecommunications industry. New technology or upgrades to existing technology available to our customers or to our customers competitors could reduce the need for our services and adversely affect our revenues and profitability. New or developing services, such as wireless applications, could displace the wireline systems used by our customers to deliver services to consumers. In addition, improvements in existing technology may allow telecommunication companies to improve their networks without physically upgrading them. Additionally, consolidations, mergers and acquisitions in the telecommunications industry have occurred in the past and may occur in the future. These consolidations, mergers and acquisitions may cause the loss of one or more of our customers. Reduced demand for our services or a loss of a significant customer could adversely affect our results of operations, cash flows and liquidity.

We derive a significant portion of our revenues from a few customers, and the loss of one or more of these customers could adversely impact our revenues and profitability.

Our customer base is highly concentrated, with our top five customers in each of fiscal years 2005, 2004, and 2003 accounting for approximately 64% of our total revenues. In the first quarter of fiscal 2006, our top five customers accounted for approximately 61% of our total revenues. A significant portion of the work we perform for these customers is commissioned under master service agreements, which may be terminated on short notice, even if we are not in default under these agreements. In addition, revenues under our contracts with these customers may vary from period-to-period depending on the timing and volume of work which such customers order in a given period and as a result of competition from the in-house service organizations of our customers. Reduced demand for our services or a loss of a significant customer could adversely affect our results of operations, cash flows and liquidity.

We operate in a highly competitive industry.

The specialty contracting services industry in which we operate is highly competitive. We compete with other independent contractors, including several that are large domestic companies that may have financial, technical and marketing resources that exceed our own. Our competitors may develop the expertise, experience and resources to provide services that are equal or superior in both price and quality to our services, and we may not be able to maintain or enhance our competitive position. We may also face competition from the in-house service organizations of our existing or prospective customers, particularly telecommunications providers, which employ personnel who perform some of the same types of services as we provide. Although our customers currently outsource a significant portion of these services to us and our competitors, we can offer no assurance that our existing or prospective customers will continue to outsource specialty contracting services to us in the future. In addition, there are relatively few barriers to entry into the markets in which we operate and, as a result, any organization with adequate financial resources and access to technical expertise may become a competitor.

Our profitability is based on our ability to deliver our services within the costs and estimates used to establish the pricing of our contracts.

Most of our long-term contracts are based on units of delivery, and we recognize revenue as the unit of delivery is completed. As the price for each of the units is fixed by the contract, our profitability could decline if our actual costs to complete each unit exceeds our original estimates. Revenue from other contracts is recognized using cost-to-cost measures of the percentage of completion method and is based

Table of Contents

on the ratio of contract costs incurred to date to total estimated contract costs. Application of the percentage of completion method of accounting requires that our management estimate the costs to be incurred by us in performing the contract. Our process for estimating costs is based upon the professional knowledge and experience of our project managers and financial professionals. However, any changes in original estimates, or the assumptions underpinning such estimates, may result in revisions to costs and income and their effects would be recognized in the period during which such revisions were determined. These changes could result in a reduction or elimination of previously reported profits.

We have a significant amount of accounts receivable and costs and estimated earnings in excess of billings assets.

We grant credit to our customers, which include telephone companies, cable television multiple system operators, a direct broadcast satellite operator, and other gas and electric utilities. At year-end fiscal 2005, we had net accounts receivable of $161.3 million and costs and estimated earnings in excess of billings of $65.6 million. At October 29, 2005, we had net accounts receivable of $168.0 million and costs and estimated earnings in excess of billings of $80.0 million. We periodically assess the credit of our customers and continuously monitor the timeliness of payments. Our customers may be adversely affected by an economic downturn, which may subject us to potential credit risks. In fiscal 2002, we recorded $20.6 million of bad debt expense attributable to receivables due from Adelphia and WorldCom. Adelphia and WorldCom both filed for bankruptcy protection during fiscal 2002. If any of our significant customers file for bankruptcy or experience financial difficulties, we could experience difficulty in collecting what we are owed by them for work already performed or in process, which could lead to reduced cash flows and a decline in our liquidity. Additionally, we may incur losses in excess of current allowances provided.

We self insure against certain potential liabilities, which leaves us potentially exposed to higher than expected liability claims.

We retain the risk, up to certain limits, for automobile liability, general liability, workers compensation, locate damage claims, and employee group health claims. We estimate and develop our accrual for claims in future periods based on facts, circumstances and historical evidence. However, the calculation of the estimated accrued liability for self-insured claims remains subject to inherent uncertainty. Should a greater number of claims occur compared to what we have estimated, or should the dollar amount of actual claims exceed what we anticipated, our recorded reserves may not be sufficient, and we could incur substantial additional unanticipated charges. See the section titled Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates Self-Insured Claims Liability in our Form 10-K for fiscal year 2005, incorporated by reference in this prospectus.

The loss of certain key managers could adversely affect our business.

We depend on the performance of our executive officers and the senior management of our subsidiaries. Our senior management team has numerous years of experience in our industry, and the loss of any of them could negatively affect our ability to execute our business strategy. Although we have entered into employment agreements with our executive officers and certain other key employees, we cannot guarantee that any key management personnel will remain with us for any length of time. The loss of key management could adversely affect the management of our operations. We do not carry significant key-person life insurance on any of our employees.

Our results of operations may fluctuate seasonally.

Most of our work is performed outdoors and as a result, our results of operations are impacted by extended periods of inclement weather. Generally, inclement weather occurs during the winter season which falls during our second and third quarters of the fiscal year. In addition, a disproportionate percentage of total holidays fall within our second quarter, which impacts the number of available workdays. As a result, we may experience reduced revenues in the second and third quarters of each year.

Table of Contents

If we fail to integrate future acquisitions successfully, this could adversely affect our business and results of operations.

As part of our growth strategy, we may acquire companies that expand, complement, or diversify our business. We regularly review various opportunities and periodically engage in discussions regarding such possible acquisitions. Future acquisitions may expose us to operational challenges and risks, including the diversion of management s attention from our existing business, the failure to retain key personnel or customers of an acquired business, the assumption of unknown liabilities of the acquired business for which there are inadequate reserves and the potential impairment of acquired intangible assets. Our ability to sustain our growth and maintain our competitive position may be affected by our ability to successfully integrate any businesses acquired.

Our backlog is subject to reduction and/or cancellation.

Our backlog is comprised of the uncompleted portion of services to be performed under job-specific contracts and the estimated value of future services that we expect to provide under long-term requirements contracts, including master service agreements. In many instances our customers are not contractually committed to specific volumes of services under a contract. However, the customer is obligated once the services are requested by the customer and provided by us. Many of our contracts are multi-year agreements, and we include in our backlog the amount of services projected to be performed over the terms of the contracts based on our historical relationships with customers and our experience in procurements of this nature. For certain recently initiated multi-year projects relating to fiber deployments for one of our significant customers, we have included in backlog only those amounts relating to calendar year 2005. We have taken this approach with respect to these fiber deployment projects because, when initially installed, they are not required for the day-to-day provision of services by our customer. Consequently, these programs have generally been subject to more uncertainty, as compared to those of our other customers, with regards to budgets and activity levels. Our estimates of a customer s requirements during a particular future period may not be accurate at any point in time. If our estimated backlog is significantly inaccurate or does not result in future profits, this could adversely affect our results of operations, cash flows and liquidity.

We may incur impairment charges on goodwill or other intangible assets in accordance with SFAS No. 142.

In accordance with SFAS No. 142, we conduct on at least an annual basis a review of our reporting units to determine whether their carrying value exceeds their corresponding fair market value. Should this be the case, the value of our goodwill may be impaired and may be required to be written down. Any goodwill write-down could adversely affect our results of operations. During fiscal 2005, as a result of our annual impairment analysis, we recognized a non-cash after tax charge in order to reduce the carrying value of goodwill related to WMC (see note 7 to our audited consolidated financial statements included in this prospectus). We may incur future impairments. Under the terms of the indenture, future impairments recorded pursuant to SFAS No. 142 will be excluded from the definition of Net Income if we and our Restricted Subsidiaries, on a consolidated basis, have positive net income before the deduction of such impairment charge. See Description of the New Notes Certain Covenants Restricted Payments.

Unanticipated changes in our tax rates or exposure to additional income and other tax liabilities could affect our profitability.

We are subject to income taxes in many different jurisdictions of the United States and our tax liabilities are subject to the apportionment of income in different jurisdictions. Our effective tax rates could be adversely affected by changes in the mix of earnings in locations with differing tax rates, in the valuation of deferred tax assets and liabilities or in tax laws or by material audit assessments, which could affect our profitability. In particular, the carrying value of deferred tax assets is dependent on our ability to generate future taxable income. In addition, the amount of income and other taxes we pay is subject to ongoing audits in various jurisdictions, and a material assessment by a governing tax authority could affect our profitability.

Table of Contents

Many of our telecommunications customers are highly regulated and the addition of new regulations or changes to existing regulations may adversely impact their demand for our specialty contracting services and the profitability of those services.

Many of our telecommunications customers are regulated by the Federal Communications Commission, or FCC. The FCC may interpret the application of its regulations to telecommunication companies in a manner that is different than the way such regulations are currently interpreted and may impose additional regulations. If existing or new regulations have an adverse affect on our telecommunications customers and adversely impact the profitability of the services they provide, then demand for our specialty contracting services may be reduced.

Our operations expose us to various safety and environmental regulations.

We are required to comply with increasingly stringent laws and regulations governing environmental protection and workplace safety. With respect to safety, our workers frequently operate heavy machinery and, as such, they are subject to potential injury to themselves or others in the vicinity of work being performed. If any of our workers or any other persons are injured or killed in the course of our operations, we could be found to have violated relevant safety regulations, which could result in a fine or, in extreme cases, criminal sanction.

A significant portion of our operations result in work performed underground. As a result, we are potentially subject to material liabilities related to encountering underground objects which may cause the release of hazardous materials or substances. The environmental laws and regulations which may relate to our business include those regarding the removal and remediation of hazardous substances and waste. These laws and regulations can impose significant fines and criminal sanctions for violations. Costs associated with the discharge of hazardous materials or substances may include clean-up costs and related damages or liabilities. These costs could be significant and could adversely affect our results of operations and cash flows.

USE OF PROCEEDS

There will be no cash proceeds payable to us from the issuance of the new notes pursuant to the exchange offer. The net proceeds from the issuance of the old notes was approximately $145 million. We used the net proceeds from the issuance of the old notes to partially fund a tender offer of Dycom s common stock pursuant to a modified Dutch Auction self-tender offer.

Table of Contents

CAPITALIZATION

The following table sets forth our capitalization as of October 29, 2005.

You should read this table together with Use of Proceeds, Management s Discussion and Analysis of Financial Condition and Results of Operations, Description of Other Indebtedness, and our audited consolidated financial statements and the related notes thereto included elsewhere or incorporated by reference in this prospectus.

	October 29, 2005
Cash and equivalents	$ 61,901
Debt (including current maturities)	
Notes(1)	$ 150,000
Senior credit facility	33,000
Other notes and capital leases payable	6,004
Total debt	189,004
Stockholders Equity:	
Common stock, par value $\$0.33^1/3$ per share:	
150,000,000 shares authorized; 48,865,186 issued and outstanding (40,101,735 as adjusted)	13,370
Additional paid-in capital	170,441
Deferred compensation	
Retained earnings	191,619
Total stockholders equity	375,430
Total capitalization	$ 564,434

(1) Assuming full participation in the exchange offer, notes consists of the old notes prior to the exchange offer and the new notes subsequent to the exchange offer.

Table of Contents

SELECTED CONSOLIDATED FINANCIAL INFORMATION

We have derived the selected consolidated balance sheet information as of July 30, 2005 and July 31, 2004 and the selected consolidated statements of operations information for the years ended July 30, 2005, July 31, 2004 and July 26, 2003 from our audited consolidated financial statements included in or incorporated by reference in this prospectus. We have derived the selected consolidated balance sheet information as of July 26, 2003, July 27, 2002 and July 28, 2001 and the selected consolidated statements of operations information for the years ended July 27, 2002 and July 28, 2001 from our audited financial statements not included in this prospectus. We have derived the selected financial data as of and for the three months ended October 29, 2005 and October 30, 2004 from our unaudited financial statements, which reflect all normal, recurring adjustments that, in the opinion of management, are necessary to present fairly this unaudited financial data. We use a fiscal year ending on the last Saturday in July. Fiscal 2005 consisted of 52 weeks, fiscal 2004 consisted of 53 weeks, and fiscal 2003, fiscal 2002, and fiscal 2001 consisted of 52 weeks. You should read the following selected consolidated financial information together with our audited consolidated financial statements and related notes and the section titled Management s Discussion and Analysis of Financial Condition and Results of Operations in our Form 10-K for fiscal year 2005, incorporated by reference in this prospectus to the extent set forth under Incorporation by Reference . Historical results are not necessarily indicative of future results and the results of any interim period are not necessarily indicative of the results for the entire fiscal year.

	Years Ended					Three Months Ended	
	July 30, 2005(1)	**July 31, 2004(2)**	**July 26, 2003**	**July 27, 2002(3)**	**July 28, 2001(4)**	**October 29, 2005**	**October 30, 2004**
	(In thousands)						
Consolidated Statements of Operations Information:							
Revenues:							
Contract revenues	$ 986,627	$ 872,716	$ 618,183	$ 624,021	$ 826,746	$ 260,898	$ 263,166
Expenses:							
Costs of earned revenues, excluding depreciation	785,616	673,562	482,877	478,971	615,239	213,300	208,670
General and administrative	78,960	74,580	68,774	67,446	73,518	19,413	18,366
Bad debts expense	767	776	1,285	21,550	58	42	(384)
Depreciation and amortization	46,593	42,066	39,074	38,844	40,117	11,381	11,265
Goodwill and intangible impairment charges(5)	28,951			47,880			
Total	940,887	790,984	592,010	654,691	728,932	244,136	237,917
Gain on sale of accounts receivable		11,359					
Interest income	1,341	775	1,509	2,936	5,331	690	116

Interest expense	(417)	(963)	(208)	(316)	(835)	(842)	(162)
Other income, net	11,970	4,277	2,981	1,460	2,673	1,131	594
Income (loss) before income taxes and cumulative effect of change in accounting principle	58,634	97,180	30,455	(26,590)	104,983	17,741	25,797
Provision (Benefit) For Income Taxes:							
Current	28,072	35,044	7,529	17,216	41,909	8,187	8,625
Deferred	6,248	3,503	5,777	(7,708)	1,664	(1,168)	1,551
Total	34,320	38,547	13,306	9,508	43,573	7,019	10,176
Income (loss) before cumulative effect of change in accounting principle	24,314	58,633	17,149	(36,098)	61,410	10,722	15,621
Cumulative effect of change in accounting principle, net of $12,117 income tax benefit(6)				(86,929)			
Net income (loss)	$ 24,314	$ 58,633	$ 17,149	$ (123,027)	$ 61,410	$ 10,722	$ 15,621
Earnings Per Common Share:							
Basic earnings (loss) per common share	$ 0.50	$ 1.21	$ 0.36	$ (2.73)	$ 1.45	$ 0.23	$ 0.32
Diluted earnings (loss) per common share	$ 0.49	$ 1.20	$ 0.36	$ (2.73)	$ 1.44	$ 0.23	$ 0.32

Table of Contents

	Years Ended					Three Months Ended	
	July 30, 2005(1)	July 31, 2004(2)	July 26, 2003	July 27, 2002(3)	July 28, 2001(4)	October 29, 2005	October 30, 2004(1)
	(In thousands, except ratios)						
Other Financial Information:							
Cash flows from operating activities	$ 87,432	$ 124,218	$ 24,998	$ 64,704	$ 132,597	$ (4,183)	$ 6,788
Cash flows from investing activities	(33,958)	(168,801)	5,127	(12,270)	(105,388)	(11,463)	(20,383)
Cash flows from financing activities	(1,795)	1,264	1,713	(68,294)	(3,127)	(5,515)	(319)
Ratio of earnings to fixed charges (deficiency)(7)	18.5x	23.3x	9.1x	$ (26,590)	27.3x	13.3x	30.8x

	As of					As of
	July 30, 2005(1)	July 31, 2004(2)	July 26, 2003	July 27, 2002(3)	July 28, 2001(4)	October 29, 2005
	(In thousands)					
Consolidated Balance Sheet Information:						
Cash and equivalents	$ 83,062	$ 31,383	$ 74,702	$ 42,864	$ 58,724	$ 61,901
Short-term investments(8)		20,010	55,150	73,188	71,760	
Total assets	696,709	651,835	536,543	514,553	575,696	700,352
Total debt, including current portion	6,928	11,257	30	108	9,069	189,004
Total stockholders equity	$ 549,810	$ 518,961	$ 450,340	$ 431,297	$ 468,881	$ 375,430

(1) Amounts include the results and balances of RJE (acquired September 2004) since its acquisition date.

(2) Amounts include the results and balances of UtiliQuest (acquired December 2003) and the results and balances of First South (acquired November 2003) since their respective acquisition dates.

(3) Amounts include the results and balances of Arguss Communications, Inc. (Arguss) (acquired February 2002) since its acquisition date.

(4) Amounts include the results and balances of Cable Connectors, Inc. (acquired October 2000), Schaumberg Enterprises, Inc. (acquired December 2000), Point to Point Communications, Inc. (acquired December 2000), Stevens Communications, Inc. (acquired January 2001), and Nichols Holding, Inc. (acquired April 2001) since their respective acquisition dates.

(5) During fiscal 2005, we incurred a goodwill impairment charge related to WMC, as a result of our annual SFAS No. 142, Goodwill and Other Intangible Assets valuation of reporting units. The under-performance of the subsidiary s financial results, combined with a reduction in the future expected cash flows from this subsidiary resulted in a goodwill impairment charge of approximately $29.0 million (see note 7 to our audited consolidated financial statements included in this prospectus). During fiscal 2002, two of our customers, Adelphia and WorldCom, filed for bankruptcy protection and as a result, we incurred goodwill impairment charges of approximately $45.1 million for WMC and approximately $2.5 million for our Point-to-Point Communications, Inc. subsidiary. We also recorded an impairment charge of $0.3 million in the fourth quarter 2002 related to the write-down of other intangible assets.

(6) During fiscal 2002, we incurred a goodwill impairment charge of $99.0 million ($86.9 million after tax) as a result of the adoption of SFAS No. 142, Goodwill and Other Intangible Assets . The subsidiaries for which an impairment charge was recognized consisted of Apex Digital, Inc., Globe Communications, Inc., Locating, Inc., Point-to-Point Communications, Inc., Tesinc Inc., Nichols Construction, Inc., C-2 Utility Contractors, Inc. and Lamberts Cable Splicing Co.

(7) For the purposes of determining the ratio of earnings to fixed charges, earnings are defined as pretax income from operations plus fixed charges. Fixed charges consist of interest expense on all indebtedness, amortization of debt issuance costs and an estimate of the interest within rental expense. For the year ended July 27, 2002 there would have been a coverage deficiency of approximately $26.6 million for the ratio of earnings to fixed charges.

(8) Short-term investments previously classified as cash and equivalents have been reclassified as short-term investments to conform to current period presentation.

Table of Contents

THE EXCHANGE OFFER

Registration Rights

In connection with our private offering of the old notes on October 11, 2005, the issuer and the guarantors entered into a registration rights agreement with the initial purchasers of the old notes. Under this registration rights agreement we agreed, within 90 days after the issuance of the old notes, to use our commercially reasonable efforts to file a registration statement with the SEC with respect to a registered offer to exchange the old notes for new notes with terms identical to the old notes in all material respects. The new notes, however, will not contain terms with respect to transfer restrictions or terms obligating the issuer to pay additional interest in the event of a registration default which includes, among other events, failure to file an exchange offer registration statement with the Commission within 90 days following the issue of the old notes, failure to have the exchange offer registration statement declared effective within 180 days following the issue of the old notes and failure to issue the new notes within 30 days of effectiveness of the exchange offer registration statement, of which this prospectus is a part.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, the issuer will accept all old notes validly tendered prior to 12:00 midnight, New York City time, on the expiration date of the exchange offer. We will issue $1,000 principal amount of new notes in exchange for each $1,000 principal amount of outstanding old notes accepted in the exchange offer. Holders may tender some or all of their old notes pursuant to the exchange offer in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

As of the date of this prospectus, $150 million aggregate principal amount of old notes are outstanding. In connection with the issuance of the old notes, we arranged for the old notes to be issued and transferable in book-entry form through the facilities of DTC, acting as depositary. The new notes will also be issuable and transferable in book-entry form through DTC.

This prospectus, together with the accompanying letter of transmittal, is being sent to all holders of old notes as of , 2006.

The issuer shall be deemed to have accepted validly tendered old notes when, as and if it has given oral or written notice thereof to the exchange agent. See Exchange Agent. The exchange agent will act as agent for the tendering holders of old notes for the purpose of receiving new notes from the issuer and delivering new notes to such holders.

If any tendered old notes are not accepted for any exchange because of an invalid tender or the occurrence of certain other events described in this prospectus, certificates for any such unaccepted old notes will be returned, without expenses, to the tendering holder promptly after the expiration date (see Procedure for Tendering).

Holders of old notes who tender in the exchange offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of old notes pursuant to the exchange offer. We will pay all charges and expenses, other than certain applicable taxes in connection with the exchange offer. See Fees and Expenses.

Expiration Date, Extensions, and Amendments

The term expiration date means , 2006 unless the issuer, in its sole discretion, extends the exchange offer, in which case the term expiration date will mean the latest date to which the exchange offer is extended.

In order to extend the expiration date, we will notify the exchange agent of any extension by oral or written notice and will announce the extension by press release, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Such announcement may state that we are extending the exchange offer for a specified period of time.

The issuer reserves the right to amend the exchange offer, or to delay acceptance of any old notes in the event that the exchange offer is extended, to extend the exchange offer, or to terminate the exchange offer and to refuse to accept any old notes, if any of the conditions set forth herein under Termination has occurred and has not been waived by it (if permitted to be waived by it) prior to the expiration date, by giving oral or written notice of such amendment, delay, extension or termination to the exchange agent.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof. If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose any such amendment in a manner reasonably calculated to inform the holders of the old notes of such amendment. In the event of a material change in the offer, including the waiver of a material condition, the issuer will extend the offer period if necessary so that at least five business days remain in the offer following notice of the material change.

Without limiting the manner by which we may choose to make public announcements of any delay in acceptance, extension, termination or amendment of the exchange offer, we will have no obligation to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely press release.

Interest on the New Notes

The new notes will bear interest from October 11, 2005, payable semiannually on October 15 and April 15 of each year, with the first interest payment date on April 15, 2006, at an annual rate of $8^1/8\%$. Holders of old notes whose old notes are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the old notes accrued from October 11, 2005 until the date of the issuance of the new notes. Consequently, holders who exchange their old notes for new notes will receive the same interest payment on April 15, 2006 (the first interest payment date with respect to the new notes) that they would have received had they not accepted the exchange offer.

Resale of the New Notes

Based on no-action letters issued by the staff of the SEC to third parties, we believe that the new notes issued pursuant to the exchange offer in exchange for old notes may be offered for resale, resold and otherwise transferred by any holder thereof without compliance with the registration and prospectus delivery requirements of the Securities Act, so long as:

- the new notes were acquired in the ordinary course of business;
- the holder is not participating, and has no arrangements or understanding with any person to participate, in the distribution of the new notes;
- the holder is not a broker-dealer who purchased the notes directly from the issuer to resell pursuant to an exemption under the Securities Act; and
- the holder is not an affiliate of ours within the meaning of Rule 405 under the Securities Act.

Holders of old notes wishing to accept the exchange offer must represent to us that these conditions have been met. Each broker-dealer that receives new notes in exchange for old notes held for its own account, as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, such broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by such broker-dealer in connection with resales of new notes received in exchange for old notes. See Plan of Distribution.

Procedure for Tendering

The old notes were issued as global securities in fully registered form without interest coupons. Beneficial interests in the global securities are shown on, and transfers of these interests are effected only through, records maintained in book-entry form by DTC with respect to its participants.

If you wish to tender your old notes for exchange pursuant to the exchange offer, you must transmit to the exchange agent on or prior to the expiration date:

(1) either:

(a) a written or facsimile copy of a properly completed and duly executed letter of transmittal, including all other documents required by such letter of transmittal, to the exchange agent at the address set forth on the cover page of the letter of transmittal; or

(b) a computer-generated message transmitted by means of ATOP; and

(2) confirmation of book-entry transfer of such notes into the exchange agent s account at DTC prior to the expiration date.

The exchange agent and DTC have confirmed that the exchange offer is eligible for ATOP. To tender old notes that are held through DTC effectively, DTC participants may, in lieu of physically completing and signing the letter of transmittal and delivering it to the Exchange agent, electronically transmit their acceptance through ATOP. DTC will then verify the acceptance and send an agent s message to the exchange agent for its acceptance. The agent s message must be received by the exchange agent prior to the expiration date in order to make a valid tender. Delivery of tendered Notes must be made to the account of the exchange agent at DTC pursuant to DTC s procedures for transfer.

The term agent s message means a message transmitted by DTC and received by the Exchange agent and forming part of a book-entry confirmation, which states that DTC has received an express acknowledgment from a participant in DTC tendering old notes that are the subject of such book entry confirmation, that such participant has received and agrees to be bound by the terms of the letter of transmittal and that the issuer may enforce such agreement against such participant. Delivery of the agent s message by DTC will satisfy the terms of the exchange offer as to execution and delivery of a letter of transmittal by the participant identified in the agent s message.

The method of delivery of old notes and the letters of transmittal and all other required documents to the exchange agent is at the election and risk of the holders. Instead of delivery by mail, it is recommended that holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. No letter of transmittal or old notes should be sent to us.

Any beneficial holder whose old notes are held in the name of his broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such person promptly and instruct such person to tender on his behalf.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company or any other eligible guarantor institution within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, or the Exchange Act, unless the old notes tendered pursuant thereto are tendered:

by a registered holder who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or

for the account of an Eligible Institution.

If the letter of transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

All the questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of the tendered old notes will be determined by us in our sole discretion, which determinations will be final and binding. We reserve the absolute right to reject any and all old notes not validly tendered or any old notes our acceptance of which would, in the opinion of counsel for us, be unlawful. We also reserve the absolute right to waive any irregularities in the tender of old notes and any conditions of tender as to all of the old notes. Our interpretation of the terms and conditions of the exchange offer (including

21

Table of Contents

the instructions in the letter of transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Neither we, the exchange agent nor any other person will be under any duty to give notification of defects or irregularities with respect to tenders of old notes nor shall any of them incur any liability for failure to give such notification. Tenders of old notes will not be deemed to have been made until such irregularities have been cured or waived. Any old notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost by the exchange agent to the tendering holder of such old notes unless otherwise provided in the letter of transmittal promptly following the expiration date.

In addition, we reserve the right in our sole discretion to:

- purchase or make offers for any old notes that remain outstanding subsequent to the expiration date, or, as set forth under Termination, to terminate the exchange offer; and

- to the extent permitted by applicable law, purchase old notes in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchase or offers may differ from the terms of the exchange offer.

By tendering, each holder of old notes will represent to us that the new notes acquired pursuant to the exchange offer are being obtained in the ordinary course of business of the person receiving such new notes, whether or not such person is the holder, that neither the holder nor any other person has an arrangement or understanding with any person to participate in the distribution of the new notes, that the holder is not a broker-dealer who acquired old notes directly from us and that neither the holder nor any such other person is an affiliate of our company within the meaning of Rule 405 under the Securities Act.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, tenders of old notes may be withdrawn at any time prior to 12:00 midnight, New York City time, on the expiration date.

To withdraw a tender of old notes in the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth herein prior to 12:00 midnight, New York City time, on the expiration date. Any such notice of withdrawal must:

- specify the name of the person having deposited the old notes to be withdrawn, or the depositor;

- identify the old notes to be withdrawn (including the principal amount of the old notes);

- be signed by the depositor in the same manner as the original signature on the letter of transmittal by which the old notes were tendered (including any required signature guarantees); and

- specify the name and number of the account at DTC to be credited with the withdrawn outstanding notes and otherwise comply with DTC s procedures.

All questions as to the validity, form and eligibility (including time of receipt) for such withdrawal notices will be determined by us, and our determination will be final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer, and no new notes will be issued with respect thereto unless the old notes so withdrawn are validly tendered. Any old notes which have been tendered but which are not accepted for exchange will be returned to the holder thereof without cost to such holder promptly after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn old notes may be tendered by following one of the procedures described above under Procedure for Tendering at any time prior to the expiration date.

Termination

Notwithstanding any other term of the exchange offer, the exchange offer will be subject to the following conditions:

that the exchange offer, or the making of any exchange by a holder, does not violate applicable or any applicable interpretation by the staff of the SEC;

Table of Contents

the due tendering of the old notes in accordance with the exchange offer;

that each holder of old notes exchanged in the exchange offer has represented that all new notes to be received by it will be acquired in the ordinary course of its business and that at the time of the consummation of the exchange offer it will have no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act of 1933) of the new notes and will have made such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to render the use of Form S-4 or other appropriate form under the Securities Act of 1933 available and to allow us to carry out the exchange offer; and

that no action or proceeding has been instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer, which, in our judgment, might materially impair our ability to proceed with the exchange offer.

Exchange Agent

Wachovia Bank, National Association, has been appointed as exchange agent for the exchange offer. Questions and requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal should be directed to the exchange agent addressed as follows:

By Registered and Certified Mail:	*By Overnight Courier or Regular Mail:*	*By Hand Delivery:*
Wachovia Bank, N.A. Customer Information Center Attn: Corporate Actions, NC-1153 1525 West WT Harris Blvd - 3C3 Charlotte, North Carolina 28262-8522	Wachovia Bank, N.A. Customer Information Center Attn: Corporate Actions, NC-1153 1525 West WT Harris Blvd - 3C3 Charlotte, North Carolina 28262-8522	Wachovia Bank, N.A. Customer Information Center Attn: Corporate Actions, NC-1153 1525 West WT Harris Blvd - 3C3 Charlotte, North Carolina 28262-8522

By Facsimile Transmission: (704) 590-7628
Confirm by Telephone: (704) 590-7413

U.S. Bank, National Association is the trustee under the indenture governing the notes.

Fees and Expenses

The expense of soliciting tenders pursuant to the exchange offer will be borne by us. The principal solicitation for tenders pursuant to the exchange offer is being made by mail. Additional solicitations may be made by officers and regular employees of ours and our affiliates in person, by facsimile or telephone.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of the exchange offer. We, however, will pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent s reasonable out-of-pocket expenses in connection therewith. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this prospectus, letters of transmittal and related documents to the beneficial owners of the old notes and in handling or forwarding tenders for exchange.

The expenses to be incurred in connection with the exchange offer, including fees and expenses of the exchange agent and trustee and accounting and legal fees, will be paid by us.

We will pay all transfer taxes, if any, applicable to the exchange of old notes pursuant to the exchange offer. If, however, certificates representing new notes or old notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any other person other than the holder of the old notes tendered, or if tendered old notes are registered in the name of any person other than the person signing the letter of transmittal, or if a transfer tax is imposed for any reason other than the exchange of old notes pursuant to the exchange offer, then the amount of any such transfer taxes (whether imposed on the tendering holder or any other person) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Consequences of Failure to Exchange

If you do not tender your old notes in this exchange offer, they will remain restricted securities within the meaning of Rule 144(a)(3) of the Securities Act. Accordingly, they may only be resold if:

registered pursuant to the Securities Act; or

an exemption from registration is available;

and they will continue to bear a legend restricting transfer in the absence of registration or an exemption from registration.

As a result of the restrictions on transfer and the availability of the new notes, the old notes are likely to be much less liquid than before the exchange offer. Following the consummation of the exchange offer, in general, holders of old notes will have no further registration rights under the registration rights agreement.

DESCRIPTION OF OTHER INDEBTEDNESS

On December 21, 2004, we entered into a credit agreement with certain lenders named therein, Wachovia Bank, National Association, as Administrative Agent, Bank of America, N.A., as Syndication Agent, Suntrust Bank, Harris Trust and Savings Bank, HSBC Bank USA and LaSalle Bank National Association, as Documentation Agents and Wachovia Capital Markets LLC, as sole lead arranger and sole bookrunner.

This senior credit facility replaced our prior credit facility that was due to expire in June 2005. The prior credit facility had no outstanding borrowings prior to its termination, and letters of credit outstanding thereunder were transferred to the new credit facility.

The senior credit facility provides for a maximum borrowing of $300.0 million and terminates on December 21, 2009. This maximum borrowing may be reduced from time to time in accordance with the terms of the senior credit facility. The senior credit facility contains a sublimit of $100.0 million for the issuance of letters of credit. Amounts borrowed under the senior credit facility may be borrowed, repaid and reborrowed from time to time until December 21, 2009.

Borrowings under the senior credit facility bear interest, at our option, at either (a) the bank s base rate, described in the credit agreement as the higher of the annual rate of the lead bank s prime rate or the federal funds rate plus 0.50%, or (b) LIBOR plus, in either case, a spread based upon our consolidated leverage ratio. Based on our current leverage ratio, borrowings would be eligible for a spread of 0.0% for revolving borrowings based on the prime rate or the federal funds rate and 1.0% for revolving borrowings based on LIBOR. On January 20, 2006 the weighted average interest rate on borrowings under our credit facility was approximately 5.77%. Our annual debt service, based on amounts outstanding at January 20, 2006 and, with respect to borrowings under our credit facility, based on the weighted average interest rate on such date, was approximately $14.7 million. Under the credit agreement, we agreed to pay a facility fee, payable quarterly, at rates that range from 0.2% to 0.375% of the unutilized commitments depending on our leverage ratio. However, in the event we utilize less than one-third of this facility, the fee will be 0.375% of the unutilized commitments. The payments under the senior credit facility are guaranteed by most of our subsidiaries.

The credit agreement contains affirmative and negative covenants customary for credit facilities of this type, including limitations on us and our subsidiaries with respect to the incurrence of indebtedness and liens, the making of investments and distributions, mergers and acquisitions, disposition of assets, sale-leaseback transactions and transactions with affiliates. The credit agreement contains financial covenants which require us to (1) maintain a leverage ratio of not greater than 2.75 to 1.00, as measured at the end of each fiscal quarter, (2) maintain an interest coverage ratio of not less than 2.75 to 1.00, as measured at the end of each fiscal quarter, and (3) maintain consolidated tangible net worth of not less than $200.0 million plus (A) 50% of our consolidated net income (if positive) from the date of the credit agreement to the date of computation plus (B) 75% of our equity issuances made from the date of the credit agreement to the date of computation.

On September 12, 2005, we amended our credit agreement to allow for the issuance and sale of the old notes and the application of the net proceeds of the offering of old notes towards the financing of the tender offer for our common shares. The amendment also amends certain financial covenants in the credit agreement and provides that a modification of the subordination provisions of the indenture will be a default under the senior credit facility. After giving effect to the amendment, we are required to (1) maintain a consolidated leverage ratio not greater than 3.00 to 1.00, (2) maintain an interest coverage ratio of not less than 2.75 to 1.00, as measured at the end of each fiscal quarter and (3) maintain consolidated tangible net worth, which shall be calculated at the end of each fiscal quarter, of not less than (a) prior to the consummation of the tender offer, $200.0 million plus 50% of consolidated net income (if positive) from December 21, 2004 to the date of computation plus 75% of the equity issuances made from December 21, 2004 to the date of computation and (b) after the consummation of the tender offer, $50.0 million plus 50% of consolidated net income (if positive) from the effective date of the amendment to the date of computation plus 75% of the equity issuances made from the date of the amendment to the date of computation. As of October 29, 2005, we had $33.0 million of borrowings under the senior credit facility and had $37.3 million face amount of letters of credit outstanding under the facility sublimit for letters of credit. We borrowed $33.0 million under the senior credit facility to pay a portion of the shares of our common stock tendered in our tender offer.

DESCRIPTION OF THE NEW NOTES

You can find the definitions of certain terms used in this description under the subheading Certain Definitions. In this description, the word Issuer refers only to Dycom Investments, Inc. and not to any of its subsidiaries, and the word Holdings refers only to Dycom Industries, Inc. and not to any of its subsidiaries.

The Issuer issued the old notes under an indenture among itself, the Guarantors and U.S. Bank, National Association, as trustee. A copy of the form of indenture will be made available upon request. Upon the issuance of the new notes, the indenture will be subject to and governed by the Trust Indenture Act of 1939, as amended. We refer to the new notes throughout this description as the new notes, the old notes as the old notes and the new notes and old notes together as the notes.

The following description is a summary of the material provisions of the indenture. It does not restate the agreement in its entirety. We urge you to read the indenture because it contains the provisions that will govern the notes. A copy of the indenture has been filed as an exhibit to the registration statement of which this prospectus is a part. Certain defined terms used in this description but not defined below under Certain Definitions have the meanings assigned to them in the indenture.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders will have rights under the indenture.

General

The new notes will be unsecured, senior obligations of the Issuer. The old notes were issued in an initial aggregate principal amount of $150 million. The new notes will be issued solely in exchange for an equal principal amount of old notes pursuant to the exchange offer. The form and terms of the new notes will be identical in all material respects to the form and terms of the old notes except that: (1) the new notes will have been registered under the Securities Act and will not have restrictions on transfer and (2) the new notes will not bear additional interest.

Brief Description of the New Notes and the Note Guarantees

The New Notes

The new notes will be:

- general unsecured obligations of the Issuer;
- subordinated in right of payment to all Indebtedness under the Credit Agreement and all other existing and future Senior Debt of the Issuer;

pari passu in right of payment with the old notes and any future senior subordinated Indebtedness of the Issuer; and

unconditionally guaranteed by the Guarantors.

The Guarantees

The new notes will be guaranteed by Holdings and each of its existing and future Domestic Subsidiaries, other than the Issuer, that guarantee any Credit Facility.

Each guarantee of the new notes will be:

a general unsecured obligation of the Guarantor;

subordinated in right of payment to all Indebtedness under the Credit Agreement and all other existing and future Senior Debt of that Guarantor; and

pari passu in right of payment with any future senior subordinated Indebtedness of that Guarantor.

As of October 29, 2005, the Issuer and the Guarantors had total Senior Debt of approximately $82.2 million (including $43.2 million face amount of letters of credit). As indicated above and as discussed in detail below under the caption Subordination, payments on the notes and under these guarantees will be subordinated to the payment of Senior Debt. The indenture permits us and the Guarantors to incur additional Senior Debt.

Not all of our Subsidiaries will guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us. The guarantor Subsidiaries generated approximately 99.5% and 100.0% of our consolidated revenues in fiscal 2005 and in the first quarter of fiscal 2006, respectively, and the guarantor Subsidiaries and Holdings held approximately 99.3% and 99.0% of our consolidated assets as of July 30, 2005 and as of October 29, 2005, respectively. See note 21 to our audited consolidated financial statements included in this prospectus for more detail about the division of its consolidated revenues and assets between the guarantor and non-guarantor Subsidiaries.

Substantially all of the operations of the Issuer are conducted through its Subsidiaries and, therefore, the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the notes. The notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Issuer s Subsidiaries. Any right of the Issuer to receive assets of any of its Subsidiaries upon the Subsidiary s liquidation or reorganization (and the consequent right of the holders of the notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary s creditors, except to the extent that the Issuer is itself recognized as a creditor of the Subsidiary, in which case the claims of the Issuer would still be subordinate in right of payment to any security in the assets of the Subsidiary and any Indebtedness of the Subsidiary senior to that held by the Issuer. As of October 29, 2005, the Issuer s Subsidiaries had approximately $6.0 million of Indebtedness and $117.7 million of trade payables and other liabilities. See Risk Factors Your right to receive payments on the notes is junior to the issuer s existing indebtedness and possibly all of its future borrowings. Further, the guarantees of the notes are junior to all of the guarantors existing indebtedness and possibly to all their future borrowings.

As of the date of the indenture, all of the Issuer s Subsidiaries were Restricted Subsidiaries. However, under the circumstances described below under the caption Certain Covenants Designation of Restricted and Unrestricted Subsidiaries, Holdings will be permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. Holdings Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the indenture. Holdings Unrestricted Subsidiaries will not guarantee the notes.

Principal, Maturity and Interest

The Issuer issued $150.0 million in aggregate principal amount of old notes on October 11, 2005. The Issuer may issue additional notes under the indenture from time to time after this offering. Any issuance of additional notes is subject to all of the covenants in the indenture, including the covenant described below under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock. The notes and any additional notes subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Issuer will issue notes in a minimum amount of $2,000 and integral multiples of $1,000. The notes will mature on October 15, 2015.

Interest on the notes will accrue at an annual rate of 8 1/8% and will be payable semiannually in arrears on April 15 and October 15, commencing on April 15, 2006. The Issuer will make each interest payment to the holders of record on the immediately preceding March 31 and September 30.

Interest on the notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

If a holder of notes has given wire transfer instructions to the Issuer, the Issuer will pay all principal, interest and premium and Additional Interest, if any, on that holder s notes in accordance with those instructions. All other payments on the notes will be made at the office or agency of the paying agent and registrar within The City and State of New York unless the Issuer elects to make interest payments by check mailed to the noteholders at their address set forth in the register of holders.

Paying Agent and Registrar for the Notes

The trustee will initially act as paying agent and registrar. The Issuer may change the paying agent or registrar without prior notice to the holders of the notes, and Holdings, the Issuer or any of its Subsidiaries may act as paying agent or registrar.

Transfer and Exchange

A holder may transfer or exchange notes in accordance with the provisions of the indenture. The registrar and the trustee may require a holder to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes due on transfer. The Issuer will not be required to transfer or exchange any note selected for redemption. Also, the Issuer will not be required to transfer or exchange any note for a period of 15 days before a selection of notes to be redeemed.

Note Guarantees

The notes will be guaranteed by each of Holdings and each of its current and future Domestic Subsidiaries (other than the Issuer) that guarantee any Credit Facility. These Note Guarantees will be joint and several obligations of the Guarantors. Each Note Guarantee will be subordinated to the prior payment in full in cash or Cash Equivalents of all Indebtedness under the Credit Agreement and all other Senior Debt of that Guarantor. The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. See Risk Factors Federal and state statutes allow courts, under specific circumstances, to void guarantees and require note holders to return payments received from guarantors.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Issuer or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the Guarantor) assumes all the obligations of that Guarantor under the indenture, its Note Guarantee and the registration rights agreement pursuant to a supplemental indenture satisfactory to the trustee; or

(b) the Net Proceeds of such sale or other disposition or merger are applied in accordance with the applicable provisions of the indenture.

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) Holdings, the Issuer or a Restricted Subsidiary of Holdings, if such sale or other disposition does not violate the Asset Sale provisions of the indenture;

(2) in connection with any sale or other disposition of all of the Capital Stock of that Guarantor to a Person that is not (either before or after giving effect to such transaction) Holdings, the Issuer or a Restricted Subsidiary of Holdings, if such sale or other disposition does not violate the Asset Sale provisions of the indenture;

(3) if Holdings designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the indenture;

(4) upon legal defeasance or satisfaction and discharge of the notes as provided below under the captions Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge ; or

(5) upon the release of such Guarantor of all of its guarantees of any Credit Facility, including any Note Guarantee created pursuant to the Additional Note Guarantees provisions of the indenture.

See Repurchase at the Option of Holders Asset Sales.

Subordination

The payment of principal, interest and premium and Additional Interest, if any, and other payment obligations on or with respect to, the notes (including any obligations to repurchase the notes) will be subordinated to the prior payment in full in cash or Cash Equivalents of all Senior Debt, including Senior Debt incurred after the date of the indenture.

The holders of Senior Debt will be entitled to receive payment in full of all Obligations due in respect of Senior Debt (including interest after the commencement of any bankruptcy proceeding at the rate specified in the applicable Senior Debt) before the holders of notes will be entitled to receive any payment with respect to the notes (except that holders of notes may receive and retain Permitted Junior Securities and payments made from either of the trusts described under Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge), in the event of any distribution to creditors of the Issuer:

(1) in a liquidation or dissolution of the Issuer;

(2) in a voluntary or involuntary bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Issuer or its property;

(3) in an assignment for the benefit of creditors; or

(4) in any marshaling of the Issuer s assets and liabilities.

The Issuer also may not make any payment in respect of the notes (except in Permitted Junior Securities or from the trusts described under Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge) if:

(1) a payment default on Designated Senior Debt occurs and is continuing beyond any applicable grace period; or

(2) any other default occurs and is continuing on any series of Designated Senior Debt that permits holders of that series of Designated Senior Debt to accelerate its maturity, and the trustee receives a notice of such default (a *Payment Blockage Notice*) from the Issuer or (a) with respect to Designated Senior Debt arising under the Credit Agreement, the agent for the lenders thereunder or (b) with respect to any other Designated Senior Debt, a

representative of the holders of such Designated Senior Debt.

Table of Contents

Payments on the notes may and will be resumed:

(1) in the case of a payment default on Designated Senior Debt, upon the date on which such default is cured or waived; and

(2) in the case of a nonpayment default, upon the earlier of (x) the date on which such nonpayment default is cured or waived, (y) 179 days after the date on which the applicable Payment Blockage Notice is received or (z) the date the Trustee receives notice from the representative for the Designated Senior Debt rescinding such Payment Blockage Notice, unless the maturity of any such Designated Senior Debt has then been accelerated.

No new Payment Blockage Notice may be delivered unless and until:

(1) 360 days have elapsed since the delivery of the immediately prior Payment Blockage Notice; and

(2) all scheduled payments of principal, interest and premium and Additional Interest, if any, on the notes that have come due have been paid in full in cash or Cash Equivalents.

No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the trustee will be, or be made, the basis for a subsequent Payment Blockage Notice unless such default has been cured or waived for a period of not less than 90 days.

If the trustee or any holder of the notes receives a payment in respect of the notes (except in Permitted Junior Securities or from the trusts described under Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge) when:

(1) the payment is prohibited by these subordination provisions; and

(2) the trustee or the holder has actual knowledge that the payment is prohibited;

the trustee or the holder, as the case may be, will hold the payment in trust for the benefit of the holders of Senior Debt. Upon the proper written request of the holders of Senior Debt, the trustee or the holder, as the case may be, will deliver the amounts in trust to the holders of Senior Debt or their proper representative.

The Issuer must promptly notify holders of Senior Debt if payment of the notes is accelerated because of an Event of Default.

As a result of the subordination provisions described above, in the event of a bankruptcy, liquidation or reorganization of the Issuer, holders of notes may recover less ratably than creditors of the Issuer or the Guarantors who are holders of Senior Debt. As a result of the obligation to deliver amounts received in trust to holders of Senior Debt, holders of notes may recover less ratably than trade creditors of the Issuer or the Guarantors. See Risk Factors Your right to receive payments on the notes is junior to the issuer s existing indebtedness and possibly all of its future borrowings. Further, the guarantees of the notes are junior to all of the guarantors existing indebtedness and possibly to all their future borrowings.

Optional Redemption

At any time on or prior to October 15, 2008, the Issuer may on one or more occasions redeem up to 35% of the aggregate principal amount of notes issued under the indenture at a redemption price of 108.125% of their principal amount, plus accrued and unpaid interest and Additional Interest, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of notes issued under the indenture (including any Additional Notes but excluding notes held by Holdings and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of each such Equity Offering.

At any time prior to October 15, 2010, the Issuer may also redeem all or a part of the notes, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder s registered address, at a redemption price equal to 100% of the principal amount of notes redeemed plus the

Table of Contents

Applicable Premium as of, and accrued and unpaid interest and Additional Interest, if any, to the date of redemption (the *Redemption Date*), subject to the rights of holders of notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the two preceding paragraphs, the notes will not be redeemable at the Issuer s option prior to October 15, 2010.

On or after October 15, 2010, at any time or from time to time, the Issuer may redeem all or a part of the notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest, if any, on the notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on October 15 of the years indicated below, subject to the rights of holders of notes on the relevant record date to receive accrued and unpaid interest on the relevant interest payment date:

Year	Percentage
2010	104.063%
2011	102.031%
2012	101.016%
2013 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the notes or portions thereof called for redemption on the applicable redemption date.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of notes will have the right to require the Issuer to repurchase all or any part (equal to $1,000 or an integral multiple of $1,000) of that holder s notes pursuant to a Change of Control Offer on the terms set forth in the indenture. In the Change of Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest and Additional Interest, if any, on the notes repurchased to the date of purchase, subject to the rights of noteholders on the relevant record date to receive accrued and unpaid interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Issuer will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the indenture and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

Table of Contents

(3) deliver or cause to be delivered to the trustee the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being purchased by the Issuer.

The paying agent will promptly mail to each holder of notes properly tendered the Change of Control Payment for such notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; *provided* that each such new Note will have a minimum amount of $2,000 and integral multiples of $1,000. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

Prior to complying with any of the provisions of this Change of Control covenant, but in any event within 90 days following a Change of Control, the Issuer and the Guarantors will either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of notes required by this covenant.

The Credit Agreement currently prohibits the Issuer and the Guarantors from purchasing any notes, and also provides that certain change of control events with respect to Holdings would constitute a default under the Credit Agreement. Any future credit agreements or other agreements relating to Senior Debt to which the Issuer or the Guarantors become parties may contain similar restrictions and provisions. If a Change of Control occurs at a time when the Issuer and the Guarantors are prohibited from purchasing notes, the Issuer and the Guarantors could seek the consent of their senior lenders to the purchase of notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer and the Guarantors do not obtain such a consent or repay such borrowings, the Issuer and the Guarantors will remain prohibited from purchasing notes. In such case, the Issuer s and the Guarantors failure to purchase tendered notes would constitute an Event of Default under the indenture which would, in turn, constitute a default under such Senior Debt. In such circumstances, the subordination provisions in the indenture would likely restrict payments to the holders of notes.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control, the indenture does not contain provisions that permit the holders of the notes to require that the Issuer repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control Offer made by the Issuer and purchases all notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to the indenture as described above under the caption Optional Redemption, unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Holdings and its Subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the Issuer to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Holdings and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

Holdings will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) Holdings (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by Holdings or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Replacement Assets. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on Holdings s most recent consolidated balance sheet, of Holdings or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the notes or any Note Guarantee) that are assumed by the transferee of any such assets or Equity Interests pursuant to a customary novation agreement or transfer agreement that releases Holdings or such Restricted Subsidiary from such liabilities or against which the transferee has granted a full indemnity to Holdings or such Restricted Subsidiary;

(b) any securities, notes or other obligations received by Holdings or any such Restricted Subsidiary from such transferee that are contemporaneously, subject to ordinary settlement periods, converted by Holdings or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;

(c) any Designated Non-Cash Consideration received by Holdings or any of its Restricted Subsidiaries in such Asset Sale having an aggregated Fair Market Value, taken together with all other Designated Non-Cash consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of (x) 5.0% of Holdings s Consolidated Net Assets as of the date or receipt of such Designated Non-Cash Consideration and (y) $25.0 million (with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, Holdings (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds at its option:

(1) to repay Senior Debt;

(2) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of Holdings (or enter into a binding agreement to acquire such assets or Capital Stock within 180 days; *provided* that (x) such acquisition is consummated within 180 days after the date of such binding agreement and (y) if such purchase is not consummated within the period set forth in subclause (x), the Net Proceeds will be deemed to be Excess Proceeds (as defined below));

(3) to make capital expenditures; or

(4) to acquire other assets that are not classified as current assets under GAAP and that are used or needed in a Permitted Business (or enter into a binding agreement to acquire such assets within 180 days; *provided* that (x) such acquisition is consummated within 180 days after the date of such binding agreement and (y) if such purchase is not consummated within the period set forth in subclause (x), the Net Proceeds will be deemed to be Excess Proceeds).

Pending the final application of any Net Proceeds, Holdings may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute *Excess Proceeds.* When the aggregate amount of Excess Proceeds exceeds $10.0 million, within 30 days thereof the Issuer will make an Asset Sale Offer to all holders of notes and all holders of other

Indebtedness that is *pari passu* with the notes or any Note

Guarantee (other than a Note Guarantee by Holdings) containing provisions similar to those set forth in the indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of notes and such other *pari passu* Indebtedness that may be purchased using the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount of the notes and such other *pari passu* Indebtedness plus accrued and unpaid interest and Additional Interest, if any, to but not including the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, Holdings may use those Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the trustee will select the notes and such other *pari passu* Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the indenture by virtue of such compliance.

The Credit Agreement currently prohibits the Issuer and the Guarantors from purchasing any notes, and also provides that certain asset sale events with respect to the Issuer and the Guarantors would constitute a default under these agreements. Any future Credit Facilities or other agreements relating to Senior Debt to which the Issuer and the Guarantors become parties may contain similar restrictions and provisions. In the event an Asset Sale occurs at a time when the Issuer and the Guarantors are prohibited from purchasing notes, the Issuer and the Guarantors may seek the consent of its senior lenders to the purchase of notes or attempt to refinance the borrowings that contain such prohibition. If the Issuer and the Guarantors do not obtain such a consent or repay such borrowings, they will remain prohibited from purchasing notes. In such case, the Issuer and the Guarantors failure to purchase tendered notes would constitute an Event of Default under the indenture which would, in turn, constitute a default under such Senior Debt. In such circumstances, the subordination provisions in the indenture would likely restrict payments to the holders of notes.

Selection and Notice

If less than all of the notes are to be redeemed at any time, the trustee will select notes for redemption on a pro rata basis unless otherwise required by law or applicable stock exchange requirements.

No notes of $1,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of the indenture. Notices of redemption may not be conditional.

If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of that note that is to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued in the name of the holder of notes upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on notes or portions of notes called for redemption.

Table of Contents

Certain Covenants

Changes in Covenants When Notes Rated Investment Grade

If on any date following the date of the indenture:

(1) the notes are rated Investment Grade by both of the Rating Agencies; and

(2) no Default or Event of Default has occurred and is continuing,

then, beginning on that day and continuing at all times thereafter regardless of any subsequent changes in the rating of the notes, the covenants specifically listed under the following captions in this prospectus will no longer be applicable to the notes:

(1) Repurchase at the Option of Holders-Asset Sales ;

(2) Restricted Payments ;

(3) Incurrence of Indebtedness and Issuance of Preferred Stock ;

(4) No Layering of Debt ;

(5) Dividend and Other Payment Restrictions Affecting Subsidiaries ;

(6) Designation of Restricted and Unrestricted Subsidiaries ;

(7) Transactions with Affiliates ;

(8) Business Activities ; and

(9) Additional Note Guarantees.

There can be no assurance that the notes will achieve or maintain an Investment Grade rating.

Restricted Payments

Holdings will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Holdings s or any of its Restricted Subsidiaries Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Holdings or any of its Restricted Subsidiaries) or to the direct or indirect holders of Holdings s or any of its Restricted Subsidiaries Equity Interests in their capacity as such (other than dividends or distributions (x) payable in Equity Interests (other than Disqualified Stock) of Holdings or (y) payable to Holdings or a Restricted Subsidiary of Holdings);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving Holdings) any Equity Interests of Holdings or any direct or indirect parent of Holdings;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of Holdings, the Issuer or any Guarantor that is contractually subordinated to the notes or to any Note Guarantee (excluding any intercompany Indebtedness between or among Holdings and any of its Restricted Subsidiaries), except (a) a payment of interest or principal at the Stated Maturity thereof or (b) the purchase, repurchase or other acquisition of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition; or

(4) make any Restricted Investment

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as *Restricted Payments*), unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and

Table of Contents

(2) Holdings would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption Incurrence of Indebtedness and Issuance of Preferred Stock ; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Holdings and its Restricted Subsidiaries since the date of the indenture (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (8) and (9) of the next succeeding paragraph), is less than the sum, without duplication, of:

(a) 50% of the Consolidated Net Income of Holdings for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the indenture to the end of Holdings s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(b) 100% of the aggregate net cash proceeds and the Fair Market Value of assets other than cash received by Holdings since the date of the indenture as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of Holdings or from the issue or sale of convertible or exchangeable Disqualified Stock or the incurrence of Indebtedness convertible or exchangeable into such Equity Interests that has been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock) sold to, or Indebtedness held by, a Subsidiary of Holdings), plus the amount of any cash received by Holdings upon such conversion or exchange; *plus*

(c) with respect to Restricted Investments made by Holdings and its Restricted Subsidiaries after the date of the indenture, an amount equal to 100% of the net reduction in such Restricted Investments in any Person resulting from repayments of loans or advances, or other transfers of assets, in each case to Holdings or any Restricted Subsidiary or from the net cash proceeds from the sale of any such Restricted Investment, from the release of any Guarantee (except to the extent any amounts are paid under such Guarantee) or from any redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary, not to exceed, in each case, the amount of Restricted Investments previously made by Holdings or any Restricted Subsidiary in such Person or Unrestricted Subsidiary after the date of the indenture; *plus*

(d) 50% of any dividends received by Holdings or a Guarantor after the date of the indenture from an Unrestricted Subsidiary of Holdings, to the extent that such dividends were not otherwise included in Consolidated Net Income of Holdings for such period.

The preceding provisions will not prohibit, in the case of clauses (5), (7) and (10) below, so long as no Default has occurred and is continuing or would be caused thereby:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of the indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of, a substantially concurrent sale (other than to a Subsidiary of Holdings) of, Equity Interests (other than Disqualified Stock) of Holdings or from a substantially concurrent contribution of common equity capital to Holdings; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of Holdings, the Issuer or any Guarantor that is contractually subordinated to the notes or to any Note Guarantee with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;

Table of Contents

(4) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of Holdings to the holders of its Equity Interests on a pro rata basis;

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Holdings or any Restricted Subsidiary of Holdings held by any current or former officer, director or employee of Holdings or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed $5.0 million in any twelve-month period; *provided further* that such amount in any calendar year may be increased by an amount not to exceed (A) the net cash proceeds received by Holdings from the sale of Equity Interests (other than Disqualified Stock) of Holdings to members of management or directors of Holdings and its Restricted Subsidiaries thatR="#000000">ø

whose denominator is the average of the last reported sale prices per share of the public acquirer common stock for the five consecutive trading days commencing on, and including, the trading day immediately after the effective date of the public acquirer fundamental change (subject to certain adjustments to be made in good faith by our board of directors).

If we elect to change the conversion right as described above, the change in the conversion right will apply to all holders from and after the effective time of the public acquirer fundamental change, and not just those holders, if any, that convert their notes in connection with the public acquirer fundamental change. Also, the principal return payable upon conversion of the notes after we give effect to the election will continue to be payable in cash, but the daily share amount, if any, will be payable at our option in cash, shares of public acquirer common stock (instead of our common stock) or a combination thereof, and the daily conversion value will be calculated based on the closing sale price per share of the public acquirer common stock (instead of our common stock). If the public acquirer fundamental change also is an event that requires us to make another adjustment to the conversion rate as described under Adjustments to the conversion rate above, then we will also give effect to that adjustment. However, if we make the election described above, then we will not change the conversion right in the manner described under Change in the conversion right upon certain reclassifications, business combinations and asset sales above in connection with the public acquirer fundamental change.

A public acquirer fundamental change generally means a make-whole fundamental change described in the second bullet point under Adjustment to the conversion rate upon the occurrence of a make-whole fundamental change where the acquirer (or any entity that majority owns the acquirer) has a class of common stock that is traded on a national securities exchange or quoted on the Nasdaq Global Select Market or that will be so traded or quoted when issued or exchanged in connection with the make-whole fundamental change. We refer to such common stock as the public acquirer common stock. Majority ownership generally means having beneficial ownership (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934) of more than 50% of the total outstanding voting power of all classes of an entity s capital stock entitled to vote generally in the election of directors.

We will state, in the first notice, public announcement and publication described under Adjustment to the conversion rate upon the occurrence of a make-whole fundamental change above, whether we have elected to change the conversion right in lieu of increasing the conversion rate. With respect to each public acquirer fundamental change, our election is irrevocable, and we cannot change that election once we have first mailed any such notice or made any such public announcement or publication. However, if

S-46

we elect to change the conversion right as described above in connection with a public acquirer fundamental change that is ultimately not consummated, then we will not be obligated to give effect to that particular election.

REDEMPTION OF NOTES AT OUR OPTION

We may redeem the notes at our option, in whole or in part, at any time, and from time to time, on or after August 1, 2011, on a date not less than 30 nor more than 60 days after the day we mail a redemption notice to each registered holder of notes to be redeemed at the address of the registered holder appearing in the security register, at a redemption price, payable in cash, equal to 100% of the principal amount of the notes we redeem plus any accrued and unpaid interest to, but excluding, the redemption date; provided that we must make at least 10 semi-annual interest payments (including the interest payments on February 1, 2007 and August 1, 2011) in the full amount required by the indenture before redeeming any notes at our option.

If a redemption date is after a record date for the payment of an installment of interest and on or before the related interest payment date, then the payment of interest becoming due on that interest payment date will be payable, on that interest payment date, to the holder of record at the close of business on the record date, and the redemption price will include only the principal amount of the notes redeemed, and will not include any accrued and unpaid interest. The redemption date must be a business day.

For a discussion of certain tax considerations applicable to a holder upon a redemption of notes, see Important United States federal income tax consequences.

If the paying agent holds money sufficient to pay the redemption price due on a note on the redemption date in accordance with the terms of the indenture, then, on and after the redemption date, the note will cease to be outstanding and interest on the note will cease to accrue, whether or not the holder delivers the note to the paying agent. Thereafter, all other rights of the holder terminate, other than the right to receive the redemption price upon delivery of the note.

The conversion right with respect to any notes we have called for redemption will expire at the close of business on the business day immediately preceding the redemption date, unless we default in the payment of the redemption price.

If we redeem less than all of the outstanding notes, the trustee will select the notes to be redeemed in integral multiples of $1,000 principal amount by lot, on a pro rata basis or in accordance with any other method the trustee considers fair and appropriate. However, we may redeem the notes only in integral multiples of $1,000 principal amount. If a portion of a holder s notes is selected for partial redemption and the holder converts a portion of the notes, the principal amount of the note that is subject to redemption will be reduced by the principal amount that the holder converted.

We may not have the financial resources, and we may not be able to arrange for financing, to pay the redemption price for all notes we have called for redemption. Furthermore, the terms of our indebtedness may limit our ability to pay the redemption price of the notes. See Risk factors Risks Related to an investment in the notes We may be unable to pay interest on the notes, repurchase the notes for cash when required by the holders, including following a fundamental change, or to pay the cash portion of the conversion value upon conversion of any notes by the holders. Our failure to redeem the notes when required would result in an event of default with respect to the notes. An event of default with respect to the notes could result in an event of default under our other indebtedness, including our senior secured credit facility, and could permit the lenders of such indebtedness to declare such indebtedness immediately due and payable and, in the case of secured indebtedness such as our senior secured credit facility, foreclose on the assets securing that indebtedness.

We will not redeem any notes at our option if there has occurred and is continuing an event of default with respect to the notes, other than a default in the payment of the redemption price with respect to those notes.

PURCHASE OF NOTES BY US AT THE OPTION OF THE HOLDER

On each of August 1, 2011, August 1, 2016 and August 1, 2021 (each, a purchase date), a holder may require us to purchase all or a portion of the holder s outstanding notes, at a price in cash equal to 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest to, but excluding, the purchase date, subject to certain additional conditions. However, we will, on the purchase date, pay the accrued and unpaid interest to, but excluding, the purchase date to the holder of record at the close of business on the immediately preceding record date. Accordingly, the holder submitting the note for purchase will receive only the principal amount of the note being repurchased and will not receive this accrued and unpaid interest unless that holder was also the holder of record at the close of business on the immediately preceding record date.

On each purchase date, we will purchase all notes for which the holder has delivered and not withdrawn a written purchase notice. Registered holders may submit their written purchase notice to the paying agent at any time from the opening of business on the date that is 20 business days before the purchase date until the close of business on the business day immediately preceding the purchase date.

For a discussion of certain tax considerations applicable to a holder receiving cash upon a purchase of the notes at the holder s option, see Important United States federal income tax consequences.

We will give notice on a date that is at least 20 business days before each purchase date to all registered holders at their addresses shown on the register of the registrar, and to beneficial owners as required by applicable law, stating, among other things:

Ø the amount of the purchase price;

Ø that notes with respect to which the holder has delivered a purchase notice may be converted, if otherwise convertible, only if the holder withdraws the purchase notice in accordance with the terms of the indenture; and

Ø the procedures that holders must follow to require us to purchase their notes, including the name and address of the paying agent.

To require us to purchase its notes, the holder must deliver a purchase notice that states:

Ø the certificate numbers of the holder s notes to be delivered for purchase, if they are in certificated form;

Ø the principal amount of the notes to be purchased, which must be an integral multiple of $1,000; and

Ø that the notes are to be purchased by us pursuant to the applicable provisions of the indenture.

S-48

Table of Contents

Description of notes

A holder that has delivered a purchase notice may withdraw the purchase notice by delivering a written notice of withdrawal to the paying agent before the close of business on the business day immediately preceding the purchase date. The notice of withdrawal must state:

- Ø the name of the holder;
- Ø a statement that the holder is withdrawing its election to require us to purchase its notes;
- Ø the certificate numbers of the notes being withdrawn, if they are in certificated form;
- Ø the principal amount being withdrawn, which must be an integral multiple of $1,000; and
- Ø the principal amount, if any, of the notes that remain subject to the purchase notice, which must be an integral multiple of $1,000.

If the notes are not in certificated form, the above notices must comply with appropriate DTC procedures.

To receive payment of the purchase price for a note for which the holder has delivered and not validly withdrawn a purchase notice, the holder must deliver the note, together with necessary endorsements, to the paying agent at any time after delivery of the purchase notice. We will pay the purchase price for the note on or before the third business after the later of the purchase date and the time of delivery of the note, together with necessary endorsements.

If the paying agent holds on a purchase date money sufficient to pay the purchase price due on a note in accordance with the terms of the indenture, then, on and after that purchase date, the note will cease to be outstanding and interest on the note will cease to accrue, whether or not the holder delivers the note to the paying agent. Thereafter, all other rights of the holder terminate, other than the right to receive the purchase price upon delivery of the note.

We may not have the financial resources, and we may not be able to arrange for financing, to pay the purchase price for all notes holders have elected to have us purchase. Furthermore, the terms of our indebtedness may limit our ability to pay the purchase price to purchase notes. See Risk factors Risks related to an investment in the notes We may be unable to pay interest on the notes, repurchase the notes for cash when required by the holders, including following a fundamental change, or to pay the cash portion of the conversion value upon conversion of any notes by the holders. Our failure to purchase the notes when required would result in an event of default with respect to the notes. An event of default with respect to the notes could result in an event of default under our other indebtedness, including our senior secured credit facility, and could permit the lenders of such indebtedness to declare such indebtedness immediately due and payable and, in the case of secured indebtedness such as our senior secured credit facility, foreclose on the assets securing that indebtedness.

We will not purchase any notes at the option of holders if there has occurred and is continuing an event of default with respect to the notes, other than a default in the payment of the purchase price with respect to those notes or a default arising from our failure to provide the notice described above.

In connection with any purchase offer, we will, to the extent applicable:

- Ø comply with the provisions of Rule 13e-4 and Regulation 14E and all other applicable laws; and

- file a Schedule TO or any other required schedule under the Securities Exchange Act of 1934 or other applicable laws.

Table of Contents

Description of notes

HOLDERS MAY REQUIRE US TO REPURCHASE THEIR NOTES UPON A FUNDAMENTAL CHANGE

If a fundamental change, as described below, occurs, each holder will have the right, at its option, subject to the terms and conditions of the indenture, to require us to repurchase for cash all or any portion of the holder s notes in integral multiples of $1,000 principal amount, at a price equal to 100% of the principal amount of the notes to be repurchased, plus, except as described below, any accrued and unpaid interest to, but excluding, the fundamental change repurchase date, as described below.

However, if the fundamental change repurchase date is after a record date for the payment of an installment of interest and on or before the related interest payment date, then the payment of interest becoming due on that interest payment date will be payable, on that interest payment date, to the holder of record at the close of business on the record date, and the repurchase price will include only the principal amount of the notes repurchased, and will not include any accrued and unpaid interest.

We must repurchase the notes on a date of our choosing, which we refer to as the fundamental change repurchase date. However, the fundamental change repurchase date must be no later than 35 days, and no earlier than 20 days, after the date we have mailed a notice of the fundamental change, as described below.

Within 20 business days after the occurrence of a fundamental change, we must mail to all registered holders of notes at their addresses shown on the register of the registrar, and to beneficial owners as required by applicable law, a notice regarding the fundamental change. We must also publicly release, through a reputable national newswire service, and publish on our website, a notice of the fundamental change. The notice must state, among other things:

- the events causing the fundamental change;
- the date of the fundamental change;
- the fundamental change repurchase date;
- the last date on which a holder may exercise the repurchase right;
- the fundamental change repurchase price;
- the names and addresses of the paying agent and the conversion agent;
- the procedures that holders must follow to exercise their repurchase right;
- the conversion rate and any adjustments to the conversion rate that will result from the fundamental change; and
- that notes with respect to which a holder has delivered a fundamental change repurchase notice may be converted, if otherwise convertible, only if the holder withdraws the fundamental change repurchase notice in accordance with the terms of the indenture.

To exercise the repurchase right, a holder must deliver a written fundamental change repurchase notice to the paying agent no later than the close of business on the business day immediately preceding the fundamental change repurchase date. This written notice must state:

- the certificate numbers of the notes that the holder will deliver for repurchase, if they are in certificated form;
- the principal amount of the notes to be repurchased, which must be an integral multiple of $1,000; and
- that the notes are to be repurchased by us pursuant to the fundamental change provisions of the indenture.

Description of notes

A holder may withdraw any fundamental change repurchase notice by delivering to the paying agent a written notice of withdrawal prior to the close of business on the business day immediately preceding the fundamental change repurchase date. The notice of withdrawal must state:

- Ø the name of the holder;
- Ø a statement that the holder is withdrawing its election to require us to repurchase its notes;
- Ø the certificate numbers of the notes being withdrawn, if they are in certificated form;
- Ø the principal amount of notes being withdrawn, which must be an integral multiple of $1,000; and
- Ø the principal amount, if any, of the notes that remain subject to the fundamental change repurchase notice, which must be an integral multiple of $1,000.

If the notes are not in certificated form, the above notices must comply with appropriate DTC procedures.

To receive payment of the fundamental change repurchase price for a note for which the holder has delivered and not validly withdrawn a fundamental change repurchase notice, the holder must deliver the note, together with necessary endorsements, to the paying agent at any time after delivery of the fundamental change repurchase notice. We will pay the fundamental change repurchase price for the note on or before the third business day after the later of the fundamental change repurchase date and the time of delivery of the note, together with necessary endorsements.

For a discussion of certain tax considerations applicable to a holder upon the exercise of the repurchase right, see Important United States federal income tax consequences.

If the paying agent holds on the fundamental change repurchase date money sufficient to pay the fundamental change repurchase price due on a note in accordance with the terms of the indenture, then, on and after the fundamental change repurchase date, the note will cease to be outstanding and interest on such note will cease to accrue, whether or not the holder delivers the note to the paying agent. Thereafter, all other rights of the holder terminate, other than the right to receive the fundamental change repurchase price upon delivery of the note.

A fundamental change generally will be deemed to occur upon the occurrence of a change in control or a termination of trading.

A change in control generally will be deemed to occur at such time as:

- Ø any person or group (as those terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934) is or becomes the beneficial owner (as that term is used in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of 50% or more of the total outstanding voting power of all classes of our capital stock entitled to vote generally in the election of directors (voting stock);
- Ø there occurs a sale, transfer, lease, conveyance or other disposition of all or substantially all of our property or assets to any person or group (as those terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934;

Ø we consolidate with, or merge with or into, another person or any person consolidates with, or merges with or into, us, unless either:

Description of notes

- Ø the persons that beneficially owned, directly or indirectly, the shares of our voting stock immediately prior to such consolidation or merger beneficially own, directly or indirectly, immediately after such consolidation or merger, shares of the surviving or continuing corporation s voting stock representing at least a majority of the total outstanding voting power of all outstanding classes of voting stock of the surviving or continuing corporation in substantially the same proportion as such ownership immediately prior to such consolidation or merger; or

- Ø both of the following conditions are satisfied (we refer to such a transaction as a listed stock business combination):

  - Ø at least 90% of the consideration (other than cash payments for fractional shares or pursuant to statutory appraisal rights) in such consolidation or merger consists of common stock and any associated rights traded on a U.S. national securities exchange or quoted on the Nasdaq Global Select Market (or which will be so traded or quoted when issued or exchanged in connection with such consolidation or merger); and

  - Ø as a result of such consolidation or merger, the notes become convertible into cash and the daily share amount, if any, which will be payable at our option in cash, shares of such common stock and associated rights or a combination thereof;

Ø the following persons cease for any reason to constitute a majority of our board of directors:

- Ø individuals who on the first issue date of the notes constituted our board of directors; and

- Ø any new directors whose election to our board of directors or whose nomination for election by our shareholders was approved by at least a majority of our directors then still in office either who were directors on such first issue date of the notes or whose election or nomination for election was previously so approved; or

Ø we are liquidated or dissolved or holders of our capital stock approve any plan or proposal for our liquidation or dissolution.

There is no precise, established definition of the phrase all or substantially all of our property or assets under applicable law. Accordingly, there may be uncertainty as to whether a sale, transfer, lease, conveyance or other disposition of less than all of our property or assets would permit a holder to exercise its right to have us repurchase its notes in accordance with the fundamental change provisions described above.

A termination of trading is deemed to occur if our common stock (or other common stock into which the notes are then convertible) is neither listed for trading on a U.S. national securities exchange nor approved for trading on an established automated over-the-counter trading market in the United States.

We may in the future enter into transactions, including recapitalizations, that would not constitute a fundamental change but that would increase our debt or otherwise adversely affect holders. The indenture for the notes does not restrict our or our subsidiaries ability to incur indebtedness, including senior or secured indebtedness. Our incurrence of additional indebtedness could adversely affect our ability to service our indebtedness, including the notes. See Risk factors Risks related to an investment in the notes.

In addition, the fundamental change repurchase feature of the notes would not necessarily afford holders of the notes protection in the event of highly leveraged or other transactions involving us that may adversely affect holders of the notes. Furthermore, the fundamental change repurchase feature of the notes may in certain circumstances deter or discourage a third party from acquiring us, even if the acquisition may be beneficial to you.

S-52

Table of Contents

Description of notes

We may not have the financial resources, and we may not be able to arrange for financing, to pay the fundamental change repurchase price for all notes holders have elected to have us repurchase. Furthermore, the terms of our indebtedness may limit our ability to pay the repurchase price to repurchase notes. See Risk factors Risks related to an investment in the notes We may be unable to pay interest on the notes, repurchase the notes for cash when required by the holders, including following a fundamental change, or to pay the cash portion of the conversion value upon conversion of any notes by the holders. Our failure to repurchase the notes when required would result in an event of default with respect to the notes and could result in an event of default under our other outstanding indebtedness, including our senior secured credit facility. The exercise by holders of the notes of their right to require us to repurchase their notes upon a fundamental change could cause a default under our other outstanding indebtedness, including our senior secured credit facility, even if the fundamental change itself does not. An event of default with respect to our other indebtedness, including our senior secured credit facility, could permit the lenders of such indebtedness to declare such indebtedness immediately due and payable and, in the case of secured indebtedness such as our senior secured credit facility, foreclose on the assets securing that indebtedness.

We will not repurchase any notes upon a fundamental change if there has occurred and is continuing an event of default with respect to the notes, other than a default in the payment of the repurchase price with respect to those notes or a default arising from our failure to provide the notice described above.

In connection with any fundamental change offer, we will, to the extent applicable:

- comply with the provisions of Rule 13e-4 and Regulation 14E and all other applicable laws; and

- file a Schedule TO or any other required schedule under the Securities Exchange Act of 1934 or other applicable laws.

FUTURE SUBSIDIARY GUARANTEES

As of the issue date of the notes, the notes will not be guaranteed by any of our subsidiaries. However, our obligations under the notes will be unconditionally guaranteed, jointly and severally, on an unsecured senior subordinated basis by any future subsidiaries that guarantee our obligations under our 7.75% senior subordinated notes due 2012 or any future senior subordinated indebtedness. Our 7.75% senior subordinated notes are required to be guaranteed by our existing and future domestic subsidiaries, other than immaterial subsidiaries, however as of the issue date of the notes the only guarantors of the senior subordinated notes are certain non-operating subsidiaries which will not guarantee the notes. Provided that we do not issue any other senior subordinated indebtedness guaranteed by any of our subsidiaries, any guarantees of the notes will terminate at such time as our 7.75% senior subordinated notes have been paid in full.

The obligations of any subsidiary guarantors will be unconditional and absolute, irrespective of any invalidity, illegality or unenforceability of any note or the indenture or any extension, compromise, waiver or release in respect of any obligation or amendment of or supplement to the indenture.

The subsidiary guarantees (if any) will, however, be limited in amount to the lesser of (a) the maximum amount that would not render the guarantors obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of any applicable state law and (b) the maximum amount that would not render the subsidiary guarantees an improper corporate distribution by the guarantors under applicable state law.

RANKING

The notes will be our unsecured senior subordinated obligations and will be subordinate in right of payment to all of our existing and future senior indebtedness (including our senior secured credit facility) as described below under Subordination , equal in right of payment to all of our existing and future unsecured senior subordinated indebtedness (including our 7.75% senior subordinated notes due 2012), and senior in right of payment to any of our future subordinated indebtedness.

The subsidiary guarantees (if any) will be subordinate in right of payment to all of that subsidiary s existing and future senior indebtedness (including any guarantees of our senior secured credit facility), equal in right of payment to all existing and future unsecured senior subordinated indebtedness of that subsidiary (including any guarantees of our 7.75% senior subordinated notes due 2012), and senior in right of payment to any subordinated indebtedness of that subsidiary.

In addition, the notes and any guarantees of the notes will be subject to the prior liens of our and our subsidiaries secured indebtedness to the extent of the assets securing such indebtedness, and will be structurally subordinate to all of the existing and future indebtedness and other liabilities of our non-guarantor subsidiaries, including trade payables. Any right by holders of notes to receive the assets of any of our non-guarantor subsidiaries upon a liquidation or reorganization of that subsidiary, will be subject to the prior claims of that subsidiary s creditors. In addition, the right of holders of notes to receive the assets of any subsidiaries that guarantee the notes upon a liquidation or reorganization of that subsidiary would still be subject to the prior claims of any security interests in the assets of such subsidiary and subordinate in right of payment to any indebtedness of such subsidiary that is senior to the note guarantee, including any guarantee of our senior secured credit facility.

Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the notes or to make any funds available for payment on the notes, whether by dividends, loans or other payments. In addition, the payment of dividends and the making of loans and advances to us by those subsidiaries may be subject to statutory, contractual or other restrictions, may depend on the earnings or financial condition of those subsidiaries and are subject to various business considerations. As a result, we may be unable to gain access to the cash flow or assets of our subsidiaries.

The indenture does not limit the amount of additional indebtedness, including senior or secured indebtedness, which we can create, incur, assume or guarantee, nor does the indenture limit the amount of indebtedness or other liabilities that our subsidiaries can create, incur, assume or guarantee.

Subordination

The payment of the principal of and interest on the notes will, to the extent provided in the indenture, be subordinated in right of payment to the prior payment in full of all of senior indebtedness of Itron, whether outstanding on the issue date of the notes or thereafter incurred. The notes also will be structurally subordinated to all existing and future debt and other liabilities, including trade payables and lease obligations, if any, of our non-guarantor subsidiaries. The obligations of any subsidiary guarantors of the notes under their subsidiary guarantees will be subordinated, to the same extent as our obligations in respect of the notes, to the prior payment in full in cash of all senior debt of that subsidiary guarantor, which will include our indebtedness under our senior secured credit facility and any guarantee by that subsidiary guarantor of any of our other senior debt.

Table of Contents

Description of notes

As of June 30, 2006, we (excluding our subsidiaries) had:

- Ø no senior indebtedness outstanding and the ability to borrow approximately $32.5 million under our senior credit facility, all of which would be secured by substantially all of our assets; and
- Ø total senior subordinated indebtedness of approximately $124.3 million.

As of June 30, 2006, our non-guarantor operating subsidiaries had approximately $32.6 million of liabilities, including trade payables but excluding intercompany liabilities, all of which would have had a prior claim, ahead of the notes, on the assets of those subsidiaries. Neither we nor our subsidiaries are prohibited from incurring debt, including senior indebtedness, under the indenture.

Upon any distribution to creditors of Itron in liquidation or dissolution of Itron or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to Itron, any assignment for the benefit of creditors or any marshalling of Itron s assets and liabilities, the holders of senior indebtedness would be entitled to receive payment in full in cash of all obligations due in respect of such senior indebtedness (including interest accruing after, or which would accrue but for, the commencement of any proceeding at the rate specified in the applicable senior indebtedness, whether or not a claim for such interest would be allowed), or have provision made for such payment in a manner acceptable to the holders of such senior indebtedness, before the holders of the notes would be entitled to receive any payment with respect to the notes (other than payments in junior securities).

As a result of these subordination provisions, in the event of a bankruptcy, dissolution, liquidation, insolvency or reorganization, holders of senior indebtedness may recover more, ratably, and holders of the notes may recover less, ratably, than our other creditors.

We also may not make any payment (other than payments in junior securities) with respect to the notes if:

- Ø a default in the payment of designated senior indebtedness occurs and is continuing; or
- Ø any other default occurs and is continuing with respect to designated senior indebtedness that permits holders of designated senior indebtedness to accelerate its maturity (or that would permit such holders to accelerate with the giving of notice or the passage of time or both), and the trustee receives a payment blockage notice from the holders of designated senior indebtedness.

We may and shall resume payments with respect to the notes:

- Ø in the case of a payment default, the date on which such default is cured or waived in writing by the holders of the designated senior indebtedness; and
- Ø in the case of a non-payment default, the earlier of (a) the date on which such non-payment default is cured or waived in writing by the holders of the designated senior indebtedness or the designated senior indebtedness is paid in full in cash or (b) 179 calendar days after the receipt of the payment blockage notice.

No more than one period of payment blockage with respect to a non-payment default may exist in any 360 calendar day period.

No non-payment default that existed or was continuing on the date of delivery of any payment blockage notice to the trustee shall be, or be made, the basis for a subsequent payment blockage notice, unless the default was waived or cured for 90 consecutive calendar days.

Table of Contents

Description of notes

The subordination provisions will not prevent the occurrence of any event of default under the indenture.

If the trustee, the paying agent or any holder receives any payment or distribution of assets in contravention of these subordination provisions before all senior indebtedness is paid in full in cash, then such payment or distribution will be held in trust for the holders of senior indebtedness to the extent necessary to make payment in full in cash of all unpaid senior indebtedness.

We are obligated to pay reasonable compensation to the trustee and to indemnify the trustee against certain losses, liabilities or expenses incurred by the trustee in connection with its duties relating to the notes. The trustee s claims for these payments will generally be senior to those of note holders in respect of all funds collected or held by the trustee.

Designated senior indebtedness means indebtedness outstanding under our senior credit facility and any other senior indebtedness that at the time of determination has an aggregate principal amount outstanding of at least $25.0 million if the instrument governing such senior indebtedness expressly states that such indebtedness is designated senior indebtedness for purposes of the indenture.

Senior indebtedness means all obligations under our senior credit facility, hedging obligations and any other indebtedness unless the instrument creating or evidencing such indebtedness expressly provides that such indebtedness is not senior or superior in right of payment to the notes or the applicable note guarantee, as the case may be, including other obligations, such as fees, expenses, reimbursement obligations arising from letters of credit, indemnities and other obligations specified in the documents governing such senior indebtedness, and all renewals, extensions, modifications, amendments or refinancings thereof; provided, that in no event shall senior indebtedness include:

- to the extent that it may constitute indebtedness, any obligation for federal, state, local or other taxes;
- any indebtedness among or between Itron and any subsidiary of Itron, unless and for so long as such indebtedness has been pledged to secure obligations to a third party;
- to the extent that it may constitute indebtedness, any obligation in respect of any trade payable incurred for the purchase of goods or materials, or for services obtained in the ordinary course of business;
- indebtedness evidenced by the notes;
- indebtedness of such person that is expressly subordinate or junior in right of payment to any other indebtedness of such person;
- to the extent that it may constitute indebtedness, any obligation owing under leases (other than capital lease obligations) or management agreements; and
- any obligation that by operation of law is subordinate to any general unsecured obligations of such person.

Limitation on Layering

The indenture will provide that we may not incur any indebtedness that is contractually senior in right of payment to the notes and contractually subordinate in right of payment to any other of our indebtedness. No guarantor shall incur any indebtedness that is contractually senior in right of payment to the note guarantee of such guarantor and contractually subordinate in right of payment to any other indebtedness of such guarantor.

S-56

Limitations on Existing Non-Guarantor Subsidiaries; Future Subsidiary Guarantees of the Notes

As of the issue date of the notes, the notes will not be guaranteed by any of our subsidiaries, and the only subsidiary guarantors of our 7.75% senior subordinated notes due 2012 are certain existing non-operating subsidiaries which will not guarantee the notes. As of the issue date of the notes, the combined total assets of these non-operating subsidiaries will not be material. We have agreed that for so long as any notes are outstanding these existing non-operating subsidiaries, individually or in the aggregate, shall not have any material operations or conduct any material business and shall not have any assets except for the assets that they have on the issue date of the notes.

If any subsidiary formed or acquired after the issue date of the notes shall guarantee any of our 7.75% senior subordinated notes due 2012 or any future senior subordinated indebtedness, then such subsidiary shall execute and deliver to the trustee a supplemental indenture in form reasonably satisfactory to the trustee pursuant to which such subsidiary shall unconditionally guarantee all of our obligations under the notes and the indenture on the terms set forth in the indenture.

Notwithstanding the foregoing, any guarantee by a subsidiary may provide by its terms that it shall be automatically and unconditionally released and discharged:

Ø upon any sale or other disposition of that guarantor or all or substantially all of the assets of that guarantor (including by way of merger or consolidation or any sale of all of the capital stock of that guarantor) to a person other than us or any of our subsidiaries; and

Ø if such guarantor s guarantee of such other senior subordinated indebtedness is released or discharged.

CONSOLIDATION, MERGER AND SALE OF ASSETS

The indenture prohibits us from consolidating with or merging with or into, or selling, transferring, leasing, conveying or otherwise disposing of all or substantially all of our property or assets to, another person, whether in a single transaction or series of related transactions, unless, among other things:

Ø such other person is a corporation organized and existing under the laws of the United States, any state of the United States or the District of Columbia;

Ø such person assumes all of our obligations under the notes and the indenture; and

Ø no default or event of default exists immediately after giving effect to the transaction or series of transactions.

When the successor assumes all of our obligations under the indenture, except in the case of a lease, our obligations under the indenture will terminate.

Some of the transactions described above could constitute a fundamental change that permits holders to require us to repurchase their notes, as described under Holders may require us to repurchase their notes upon a fundamental change.

There is no precise, established definition of the phrase all or substantially all of our property or assets under applicable law. Accordingly, there may be uncertainty as to whether the provisions above would apply to a sale, transfer, lease, conveyance or other disposition of less than all of our property or assets.

An assumption by any person of our obligation under the notes and the indenture might be deemed for United States federal income tax purposes to be an exchange of the notes for new notes by the holders

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thereof, resulting in recognition of gain or loss for such purposes and possibly other adverse tax consequences to the holders. Holders should consult their own tax advisors regarding the tax consequences of such an assumption.

EVENTS OF DEFAULT

The following are events of default under the indenture for the notes:

- Ø our failure to pay the principal of or premium, if any, on any note when due, whether at maturity, upon redemption, on the purchase date with respect to a purchase at the option of the holder, on a fundamental change repurchase date with respect to a fundamental change or otherwise;
- Ø our failure to pay an installment of interest (including, without limitation, contingent interest, if any) on any note when due, if the failure continues for 30 days after the date when due;
- Ø our failure to satisfy our conversion obligations upon the exercise of a holder s conversion right;
- Ø our failure to timely provide notice as described under Adjustment to the conversion rate upon the occurrence of a make-whole fundamental change, Purchase of notes by us at the option of the holder or Holders may require us to repurchase their notes upon a fundamental change ;
- Ø our failure to comply with any other term, covenant or agreement contained in the notes or the indenture, if the failure is not cured within 60 days after notice to us by the trustee or to the trustee and us by holders of at least 25% in aggregate principal amount of the notes then outstanding, in accordance with the indenture;
- Ø a default by us or any of our subsidiaries in the payment when due, after the expiration of any applicable grace period, of principal of, or premium, if any, or interest on, indebtedness for money borrowed in the aggregate principal amount then outstanding of $25 million or more, or acceleration of our or our subsidiaries indebtedness for money borrowed in such aggregate principal amount or more so that it becomes due and payable before the date on which it would otherwise have become due and payable, if such default is not cured or waived, or such acceleration is not rescinded, within 60 days after notice to us by the trustee or to us and the trustee by holders of at least 25% in aggregate principal amount of notes then outstanding, in accordance with the indenture;
- Ø failure by us or any of our subsidiaries, within 60 days, to pay, bond or otherwise discharge any judgments or orders for the payment of money the total uninsured amount of which for us or any of our subsidiaries exceeds $25 million, which are not stayed on appeal; and
- Ø certain events of bankruptcy, insolvency or reorganization with respect to us or any of our subsidiaries that is a significant subsidiary (as defined in Regulation S-X under the Securities Exchange Act of 1934) or any group of our subsidiaries that in the aggregate would constitute a significant subsidiary.

If an event of default, other than an event of default referred to in the last bullet point above with respect to us (but including an event of default referred to in that bullet point solely with respect to a significant subsidiary, or group of subsidiaries that in the aggregate would constitute a significant subsidiary, of ours), has occurred and is continuing, either the trustee, by notice to us, or the holders of at least 25% in aggregate principal amount of the notes then outstanding, by notice to us and the trustee, may declare the principal of, and any accrued and unpaid interest (including, without limitation, contingent interest, if any) on, all notes to be immediately due and payable. In the case of an event of default referred to in the last bullet point above with respect to us (and not solely with respect to a significant subsidiary, or group of subsidiaries that in the aggregate would constitute a significant subsidiary, of ours), the principal of, and accrued and unpaid interest (including, without limitation, contingent interest, if any) on, all notes will automatically become immediately due and payable.

[Table of Contents](#)

Description of notes

After any such acceleration, the holders of a majority in aggregate principal amount of the notes, by written notice to the trustee, may rescind or annul such acceleration in certain circumstances, if:

- Ø the rescission would not conflict with any order or decree;
- Ø all events of default, other than the non-payment of accelerated principal or interest, have been cured or waived; and
- Ø certain amounts due to the trustee are paid.

The indenture does not obligate the trustee to exercise any of its rights or powers at the request or demand of the holders, unless the holders have offered to the trustee security or indemnity that is reasonably satisfactory to the trustee against the costs, expenses and liabilities that the trustee may incur to comply with the request or demand. Subject to the indenture, applicable law and the trustee s rights to indemnification, the holders of a majority in aggregate principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

No holder will have any right to institute any proceeding under the indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the indenture, unless:

- Ø the holder gives the trustee written notice of a continuing event of default;
- Ø the holders of at least 25% in aggregate principal amount of the notes then outstanding make a written request to the trustee to pursue the remedy;
- Ø the holder or holders offer and, if requested, provide the trustee indemnity reasonably satisfactory to the trustee against any loss, liability or expense; and
- Ø the trustee fails to comply with the request within 60 days after the trustee receives the notice, request and offer of indemnity and does not receive, during those 60 days, from holders of a majority in aggregate principal amount of the notes then outstanding, a direction that is inconsistent with the request.

However, the above limitations do not apply to a suit by a holder to enforce:

- Ø the payment of any amounts due on that holder s notes after the applicable due date; or
- Ø the right to convert that holder s notes in accordance with the indenture.

Except as provided in the indenture, the holders of a majority of the aggregate principal amount of outstanding notes may, by notice to the trustee, waive any past default or event of default and its consequences, other than a default or event of default:

- in the payment of principal of, or premium, if any, or interest (including, without limitation, contingent interest, if any) on, any note or in the payment of the redemption price, purchase price or fundamental change repurchase price;

- arising from our failure to convert any note in accordance with the indenture; or

- in respect of any provision under the indenture that cannot be modified or amended without the consent of the holders of each outstanding note affected.

We will promptly notify the trustee upon our becoming aware of the occurrence of any default or event of default. In addition, the indenture requires us to furnish to the trustee, on an annual basis, a statement by our officers stating whether they have actual knowledge of any default or event of default by us in performing any of our obligations under the indenture or the notes and describing any such default or event of default. If a default or event of default has occurred and the trustee has received notice of the default or event of default in accordance with the indenture, the trustee must mail to each registered holder a notice of the default or event of default within 30 days after receipt of the notice. However, the trustee need not mail the notice if the default or event of default:

- has been cured or waived; or
- is not in the payment of any amounts due with respect to any note and the trustee in good faith determines that withholding the notice is in the best interests of holders.

MODIFICATION AND WAIVER

We may amend or supplement the indenture or the notes with the consent of the trustee and holders of at least a majority in aggregate principal amount of the outstanding notes. In addition, subject to certain exceptions, the holders of a majority in aggregate principal amount of the outstanding notes may waive our compliance with any provision of the indenture or notes. However, without the consent of the holders of each outstanding note affected, no amendment, supplement or waiver may:

- change the stated maturity of the principal of, or the payment date of any installment of interest (including, without limitation, contingent interest, if any) on, any note;
- reduce the principal amount of, or any premium, or interest (including, without limitation, contingent interest, if any) on, any note;
- change the place, manner or currency of payment of principal of, or any premium or interest (including, without limitation, contingent interest, if any) on, any note;
- impair the right to institute a suit for the enforcement of any payment on, or with respect to, or of the conversion of, any note;
- modify, in a manner adverse to the holders of the notes, the provisions of the indenture relating to the right of the holders to require us to purchase notes at their option or upon a fundamental change;
- modify the subordination provisions of the indenture in a manner adverse to the holders of notes;
- adversely affect the right of the holders of the notes to convert their notes in accordance with the indenture;
- release any guarantor from any of its obligations under its guarantee or the indenture other than in compliance with the indenture;
- reduce the percentage in aggregate principal amount of outstanding notes whose holders must consent to a modification or amendment of the indenture or the notes;

Ø reduce the percentage in aggregate principal amount of outstanding notes whose holders must consent to a waiver of compliance with any provision of the indenture or the notes or a waiver of any default or event of default; or

Ø modify the provisions of the indenture with respect to modification and waiver (including waiver of a default or event of default), except to increase the percentage required for modification or waiver or to provide for the consent of each affected holder.

We may, with the trustee s consent, amend or supplement the indenture or the notes without notice to or the consent of any holder of the notes to:

Ø evidence the assumption of our obligations or any guarantor s under the indenture, the notes or any guarantees, as the case may be, by a successor upon our or the any guarantor s consolidation or merger or the sale, transfer, lease, conveyance or other disposition of all or substantially all of our or any guarantor s property or assets in accordance with the indenture;

Table of Contents

Description of notes

Ø give effect to the election, if any, by us referred to under Conversion rights Adjustment to the conversion rate upon the occurrence of a make-whole fundamental change Fundamental changes involving an acquisition of us by a public acquirer ;

Ø make adjustments in accordance with the indenture to the right to convert the notes upon certain reclassifications or changes in our common stock and certain consolidations, mergers and binding share exchanges and upon the sale, transfer, lease, conveyance or other disposition of all or substantially all of our property or assets;

Ø secure our obligations in respect of the notes;

Ø to evidence the release of any guarantor permitted to be released under the terms of the indenture or to evidence the addition of any new guarantor;

Ø add to our covenants for the benefit of the holders of the notes or to surrender any right or power conferred upon us; or

Ø make provision with respect to adjustments to the conversion rate as required by the indenture or to increase the conversion rate in accordance with the indenture.

In addition, we and the trustee may enter into a supplemental indenture without the consent of holders of the notes in order to cure any ambiguity, defect, omission or inconsistency in the indenture in a manner that does not, individually or in the aggregate with all other changes, adversely affect the rights of any holder in any material respect.

Except as provided in the indenture, the holders of a majority in aggregate principal amount of the outstanding notes, by notice to the trustee, generally may:

Ø waive compliance by us with any provision of the indenture or the notes, as detailed in the indenture; and

Ø waive any past default or event of default and its consequences, except a default or event of default:

  Ø in the payment of principal of, or premium, if any, or interest (including, without limitation, contingent interest, if any) on, any note or in the payment of the redemption price, purchase price or fundamental change repurchase price;

  Ø arising from our failure to convert any note in accordance with the indenture; or

  Ø in respect of any provision under the indenture that cannot be modified or amended without the consent of the holders of each outstanding note affected.

DISCHARGE

We may generally satisfy and discharge our obligations under the indenture by:

- Ø delivering all outstanding notes to the trustee for cancellation; or

- Ø depositing with the trustee or the paying agent after the notes have become due and payable, whether at stated maturity or any redemption date, purchase date or fundamental change repurchase date, cash sufficient to pay all amounts due on all outstanding notes and paying all other sums payable under the indenture.

In addition, in the case of a deposit, there must not exist a default or event of default on the date we make the deposit, and the deposit must not result in a breach or violation of, or constitute a default under, the indenture.

CALCULATIONS IN RESPECT OF NOTES

We and our agents are responsible for making all calculations called for under the indenture and notes. These calculations include, but are not limited to, determination of the trading price of the notes, the current market price of our common stock, the number of shares, if any, issuable upon conversion of the notes and amount of interest payable on the notes. We and our agents will make all of these calculations in good faith, and, absent manifest error, these calculations will be final and binding on all holders of notes. We will provide a copy of these calculations to the trustee, as required, and, absent manifest error, the trustee is entitled to rely on the accuracy of our calculations without independent verification.

NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES OR SHAREHOLDERS

None of our past, present or future directors, officers, employees or shareholders, as such, will have any liability for any of our obligations under the notes or the indenture or for any claim based on, or in respect or by reason of, such obligations or their creation. By accepting a note, each holder waives and releases all such liability. This waiver and release is part of the consideration for the issue of the notes. However, this waiver and release may not be effective to waive liabilities under U.S. federal securities laws, and it is the view of the SEC that such a waiver is against public policy.

REPORTS TO TRUSTEE

We will furnish to the trustee copies of our annual report to shareholders, containing audited financial statements, and any other financial reports which we furnish to our shareholders.

UNCLAIMED MONEY

If money deposited with the trustee or paying agent for the payment of principal of, premium, if any, or accrued and unpaid interest on, the notes remains unclaimed for two years, the trustee and paying agent will pay the money back to us upon our written request. However, the trustee and paying agent have the right to withhold paying the money back to us until they publish (in no event later than 5 days after we request repayment) in a newspaper of general circulation in the City of New York, or mail to each registered holder, a notice stating that the money will be paid back to us if unclaimed after a date no less than 30 days from the publication or mailing. After the trustee or paying agent pays the money back to us, holders of notes entitled to the money must look to us for payment as general creditors, subject to applicable law, and all liability of the trustee and the paying agent with respect to the money will cease.

PURCHASE AND CANCELLATION

The registrar, paying agent and conversion agent will forward to the trustee any notes surrendered to them for transfer, exchange, payment or conversion, and the trustee will promptly cancel those notes in accordance with its customary procedures. We will not issue new notes to replace notes that we have paid or delivered to the trustee for cancellation or that any holder has converted.

We may, to the extent permitted by law, purchase notes in the open market or by tender offer at any price or by private agreement. We may, at our option and to the extent permitted by law, reissue, resell or surrender to the trustee for cancellation any notes we purchase in this manner. Notes surrendered to the trustee for cancellation may not be reissued or resold and will be promptly cancelled.

Table of Contents

Description of notes

REPLACEMENT OF NOTES

We will replace mutilated, lost, destroyed or stolen notes at the holder s expense upon delivery to the trustee of the mutilated notes or evidence of the loss, destruction or theft of the notes satisfactory to the trustee and us. In the case of a lost, destroyed or stolen note, we or the trustee may require, at the expense of the holder, indemnity (including in the form of a bond) reasonably satisfactory to us and the trustee.

TRUSTEE AND TRANSFER AGENT

The trustee for the notes is Deutsche Bank Trust Company Americas, and we have appointed the trustee as the initial paying agent, registrar, conversion agent and custodian with regard to the notes. The indenture permits the trustee to deal with us and any of our affiliates with the same rights the trustee would have if it were not trustee. However, under the Trust Indenture Act of 1939, if the trustee acquires any conflicting interest and there exists a default with respect to the notes, the trustee must eliminate the conflict or resign. Deutsche Bank Trust Company Americas currently acts as the trustee for our 7.75% senior subordinated notes due 2012, and it and its affiliates have in the past provided or may from time to time in the future provide banking and other services to us in the ordinary course of their business.

The holders of a majority in aggregate principal amount of the notes then outstanding have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, subject to certain exceptions. If an event of default occurs and is continuing, the trustee must exercise its rights and powers under the indenture using the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The indenture does not obligate the trustee to exercise any of its rights or powers at the request or demand of the holders, unless the holders have offered to the trustee security or indemnity that is reasonably satisfactory to the trustee against the costs, expenses and liabilities that the trustee may incur to comply with the request or demand.

The transfer agent for our common stock is ChaseMellon.

LISTING AND TRADING

The notes will not be listed or quoted on any securities exchange. Our common stock is listed on the Nasdaq Global Select Market under the ticker symbol ITRI.

FORM, DENOMINATION AND REGISTRATION OF NOTES

General

The notes will be issued in registered form, without interest coupons, in denominations of integral multiples of $1,000 principal amount, in the form of global securities, as further provided below. See Global securities below for more information. The trustee need not:

- Ø register the transfer of or exchange any note for a period of 20 days before selecting notes to be redeemed;
- Ø register the transfer of or exchange any note during the period beginning at the opening of business 20 days before the mailing of a notice of redemption of notes selected for redemption and ending at the close of business on the day of the mailing; or
- Ø register the transfer of or exchange any note that has been selected for redemption or for which the holder has delivered, and not validly withdrawn, a purchase notice or fundamental change repurchase notice, except, in the case of a partial redemption, purchase or repurchase, that portion of the notes not being redeemed, purchased or repurchased.

See Global securities and Certificated securities for a description of additional transfer restrictions that apply to the notes.

We will not impose a service charge in connection with any transfer or exchange of any note, but we may in general require payment of a sum sufficient to cover any transfer tax or similar governmental charge imposed in connection with the transfer or exchange.

Global securities

Global securities will be deposited with the trustee as custodian for The Depository Trust Company, or DTC, and registered in the name of DTC or a nominee of DTC.

Investors may hold their interests in a global security directly through DTC, if they are DTC participants, or indirectly through organizations that are DTC participants.

Except in the limited circumstances described below and in Certificated securities, holders of notes will not be entitled to receive notes in certificated form. Unless and until it is exchanged in whole or in part for certificated securities, each global security may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC.

We will apply to DTC for acceptance of the global securities in its book-entry settlement system. The custodian and DTC will electronically record the principal amount of notes represented by global securities held within DTC. Beneficial interests in the global securities will be shown on records maintained by DTC and its direct and indirect participants. So long as DTC or its nominee is the registered owner or holder of a global security, DTC or such nominee will be considered the sole owner or holder of the notes represented by such global security for all purposes under the indenture and the notes. No owner of a beneficial interest in a global security will be able to transfer such interest except in accordance with DTC s applicable procedures and the applicable procedures of its direct and indirect participants. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. These limitations and requirements may impair the ability to transfer or pledge beneficial interests in a global security.

Payments of principal, premium, if any, and interest under each global security will be made to DTC or its nominee as the registered owner of such global security. We expect that DTC or its nominee, upon receipt of any such payment, will immediately credit DTC participants accounts with payments proportional to their respective beneficial interests in the principal amount of the relevant global security as shown on the records of DTC. We also expect that payments by DTC participants to owners of beneficial interests will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants, and none of us, the trustee, the custodian or any paying agent or registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in any global security or for maintaining or reviewing any records relating to such beneficial interests.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the Securities Exchange Act of 1934. DTC was created to hold the securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, which eliminates the need for physical movement of securities certificates.

DTC s participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the depository. Access to DTC s book-entry system is also available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The ownership interest and transfer of ownership interests of each beneficial owner or purchaser of each security held by or on behalf of DTC are recorded on the records of the direct and indirect participants.

Certificated securities

The trustee will exchange each beneficial interest in a global security for one or more certificated securities registered in the name of the owner of the beneficial interest, as identified by DTC, only if:

- DTC notifies us that it is unwilling or unable to continue as depositary for that global security or ceases to be a clearing agency registered under the Securities Exchange Act of 1934 and, in either case, we do not appoint a successor depositary within 90 days of such notice or cessation; or

- an event of default has occurred and is continuing and the trustee has received a request from DTC to issue certificated securities.

Settlement and payment

We will make payments in respect of notes represented by global securities by wire transfer of immediately available funds to DTC or its nominee as registered owner of the global securities. We will make payments in respect of notes that are issued in certificated form by wire transfer of immediately available funds to the accounts specified by each holder of more than $5.0 million aggregate principal amount of notes. However, if a holder of a certificated note does not specify an account, or holds $5.0 million or less in aggregate principal amount of notes, then we will mail a check to that holder s registered address.

We expect the notes will trade in DTC s Same-Day Funds Settlement System, and DTC will require all permitted secondary market trading activity in the notes to be settled in immediately available funds. We expect that secondary trading in any certificated securities will also be settled in immediately available funds.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds.

Although DTC has agreed to the above procedures to facilitate transfers of interests in the global securities among DTC participants, DTC is under no obligation to perform or to continue those procedures, and those procedures may be discontinued at any time. None of us, the underwriters or the trustee will have any responsibility for the performance by DTC or its direct or indirect participants of their respective obligations under the rules and procedures governing their operations.

We have obtained the information we describe in this prospectus supplement concerning DTC and it book-entry system from sources that we believe to be reliable, but neither we nor the underwriters take any responsibility for the accuracy of this information.

GOVERNING LAW

The indenture and the notes will be governed by and construed in accordance with the laws of the State of New York, without giving effect to such state s conflicts of laws principles.

Table of Contents

Description of capital stock

Under our current Amended and Restated Articles of Incorporation, we are authorized to issue up to 75,000,000 shares of Common Stock without par value and 10,000,000 shares of Preferred Stock without par value, of which 1,000,000 shares have been designated as Series R Participating Cumulative Preferred Stock and reserved for issuance pursuant to our rights agreement described below. The following description of our capital stock is qualified in its entirety by our Amended and Restated Articles of Incorporation and our Amended and Restated Bylaws. There was no preferred stock issued or outstanding at June 30, 2006.

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of shareholders and do not have cumulative voting rights. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by our Board of Directors out of legally available funds, subject to any preferential dividend rights of outstanding preferred stock or serial preferred stock. Upon the liquidation, dissolution or winding up of Itron, the holders of common stock are entitled to receive ratably our assets available after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock or serial preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock or serial preferred stock that we may designate and issue in the future.

Our Board of Directors will have the authority to issue preferred stock and serial preferred stock in one or more series and to fix or alter from time to time the designation, powers, preferences and rights of the shares of each such series, and the qualifications, limitations or restrictions of any unissued series of preferred stock or serial preferred stock, and to establish from time to time the number of shares constituting any such series. The issuance of preferred stock or serial preferred stock may have the effect of delaying, deferring or preventing a change in control of Itron without further action by the shareholders. Shares of preferred stock may be convertible into common stock based on terms, conditions, rates and subject to such adjustments set by the Board of Directors. The issuance of preferred stock or serial preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including the loss of voting control to others. Except for the reservation of the Series R Participating Cumulative Preferred Stock described above, no shares of preferred stock or serial preferred stock are currently outstanding.

For discussion of provisions in our rights plan, charter and bylaws that could have the effect of delaying or preventing a takeover attempt, see Risk Factors Risks related to an investment in the notes Our rights plan and our ability to issue additional preferred stock could hard the rights of our common shareholders and Risk Factors Risks related to an investment in the notes Some anti-takeover provisions contained in our charter and bylaws and under Washington laws could hinder a takeover attempt for discussion of provisions in our rights plan, charter and bylaws that could delay or prevent a takeover attempt.

Important United States federal income tax consequences

The following is a summary of certain United States federal income tax considerations of the purchase, ownership, conversion, and other disposition of the notes by an initial purchaser of the notes that purchases the notes at a price indicated on the cover of this prospectus supplement and the ownership and disposition of the common stock received upon a conversion of the notes. This summary is based upon existing United States federal income tax law, which is subject to change or differing interpretations, possibly with retroactive effect. This summary does not discuss all aspects of United States federal income taxation which may be important to particular investors in light of their individual circumstances, such as notes held by investors subject to special tax rules (e.g., financial institutions, insurance companies, broker-dealers, tax-exempt organizations, and Non-U.S. Holders (as defined below)) or to persons that will hold the notes as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for United States federal income tax purposes, partnerships or their partners, or U.S. Holders (as defined below) that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not discuss any foreign, state, or local tax considerations. This summary is written for investors that will hold their notes as capital assets under the Internal Revenue Code of 1986, as amended (the Code). Each prospective investor is urged to consult its tax advisor regarding the United States federal, state, local, and foreign income and other tax consequences of the purchase, ownership, conversion, and other disposition of the notes and common stock received upon a conversion of the notes.

For purposes of this summary, a U.S. Holder is a beneficial owner of a note that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity or arrangement treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of the United States or any state or political subdivision thereof, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust, or (B) that was in existence on August 20, 1996, was treated as a United States person on the previous day, and elected to continue to be so treated. A beneficial owner of a note (other than a partnership, including any entity or arrangement treated as a partnership for United States federal income tax purposes) that is not a U.S. Holder is referred to herein as a Non-U.S. Holder.

If a partnership (including any entity or arrangement treated as a partnership for United States federal income tax purposes) is a beneficial owner of notes or shares of common stock, the treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A holder of notes or shares of common stock that is a partnership and its partners are urged to consult their tax advisors about the United States federal income tax consequences of holding and disposing of notes or shares of common stock received upon a conversion of notes.

CLASSIFICATION OF THE NOTES

Pursuant to the terms of the indenture, we and each holder of notes will agree to treat the notes, for United States federal income tax purposes, as debt instruments that are subject to the Treasury

Table of Contents

Important United States federal income tax consequences

regulations that govern contingent payment debt instruments (the CPDI Regulations) and to be bound by our application of the CPDI Regulations to the notes, including our determination of the rate at which interest will be deemed to accrue on the notes and the related projected payment schedule. The remainder of this discussion describes the treatment of the notes in accordance with that agreement and our determinations.

No authority directly addresses the treatment of all aspects of the notes for United States federal income tax purposes. The Internal Revenue Service (the Service) has issued Revenue Ruling 2002-31 and Notice 2002-36, in which the Service addressed the United States federal income tax classification and treatment of a debt instrument similar, although not identical, to the notes, and the Service concluded that the debt instrument addressed in that published guidance was subject to the CPDI Regulations. In addition, the Service clarified various aspects of the applicability of certain other provisions of the Code to the debt instrument addressed in that published guidance. The applicability of Revenue Ruling 2002-31 and Notice 2002-36 to any particular debt instrument, however, such as the notes, is uncertain. In addition, no rulings are expected to be sought from the Service with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions. As a result, no assurance can be given that the Service will agree with the tax characterizations and the tax consequences described below. A different treatment of the notes for United States federal income tax purposes could significantly alter the amount, timing, character, and treatment of income, gain or loss recognized in respect of the notes from that which is described below and could require a U.S. Holder to accrue interest income at a rate different from the comparable yield described below.

U.S. HOLDERS

Interest Income

Under the CPDI Regulations, a U.S. Holder generally will be required to accrue interest income on the notes on a constant yield to maturity basis based on the adjusted issue price (as defined below) of the notes and the comparable yield (as defined below), regardless of whether the U.S. Holder uses the cash or accrual method of tax accounting. Accordingly, a U.S. Holder will be required to include interest in taxable income in each year significantly in excess of the amount of interest payments, including contingent interest payments, actually received by it in that year.

The issue price of a note is the first price at which a substantial amount of the notes is sold to investors, excluding bond houses, brokers or similar persons or organizations acting in the capacity or underwriters, placement agents or wholesalers. The adjusted issue price of a note on any particular date is its issue price increased by any interest income previously accrued (determined without regard to any adjustments to interest accruals described below) and decreased by the amount of any noncontingent payments previously made and the projected amount of any contingent payments scheduled to be made on the note through the date on which the adjusted issue price is being calculated (without regard to the actual amount of the contingent payments made).

Under the CPDI Regulations, we are required to establish the comparable yield for the notes. The comparable yield for the notes is the annual yield we would incur, as of the initial issue date, on a fixed rate nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to those of the notes. Accordingly, we have determined the comparable yield to be 7.375% compounded semi-annually.

Table of Contents

Important United States federal income tax consequences

We are required to provide to U.S. Holders, solely for United States federal income tax purposes, a schedule of the projected amounts of payments on the notes. This schedule must produce the comparable yield. Our determination of the projected payment schedule for the notes includes estimates for payments of contingent interest and an estimate for a payment at maturity that takes into account the conversion feature. U.S. Holders may obtain the projected payment schedule by submitting a written request for it to us at the address set forth under Where You Can Find More Information.

The comparable yield and the projected payment schedule are solely for purposes of determining a U.S. Holder s interest accruals and adjustments thereof in respect of the notes for United States federal income tax purposes and do not constitute a projection or representation regarding the actual amounts payable to U.S. Holders of the notes.

Adjustments to Interest Accruals on the Notes

If a U.S. Holder receives actual contingent payments with respect to the notes in a tax year that in the aggregate exceed the total amount of projected contingent payments for that tax year, the U.S. Holder will have a net positive adjustment equal to the amount of such excess. The U.S. Holder will be required to treat the net positive adjustment as additional interest income for the tax year. For this purpose, the payments in a tax year include the fair market value of any property received in that year.

If a U.S. Holder receives actual contingent payments with respect to the notes in a tax year that in the aggregate are less than the amount of the projected contingent payments for that tax year, the U.S. Holder will have a net negative adjustment equal to the amount of such deficit. This adjustment will (a) reduce the U.S. Holder s interest income on the notes for that tax year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the U.S. Holder s interest income on the notes during prior tax years, reduced to the extent such interest income was offset by prior net negative adjustments. Any negative adjustment in excess of the amounts described in (a) and (b) will be carried forward to offset future interest income in respect of the notes or to reduce the amount realized upon a sale, exchange, repurchase or redemption of the notes.

Sale, Exchange, Conversion, Repurchase, or Redemption

Generally, the sale, exchange, repurchase, or redemption of a note will result in gain or loss to a U.S. Holder, which will be subject to tax. As described above, our calculation of the comparable yield and the schedule of projected payments for the notes includes the receipt of shares of our common stock upon conversion as a contingent payment with respect to the notes. Accordingly, we intend, and each holder agrees in the indenture, to treat the payment of shares of our common stock to a U.S. Holder upon the conversion of a note as a contingent payment under the CPDI Regulations. As described above, U.S. Holders generally are bound by our determination of the comparable yield and the schedule of projected payments. Under this treatment, a conversion also will result in taxable gain or loss to a U.S. Holder. The amount of gain or loss on a taxable sale, exchange, conversion, repurchase, or redemption will be equal to the difference between (a) the amount of cash plus the fair market value of any other property received by the U.S. Holder, including the fair market value of any shares of our common stock received, reduced by any negative adjustment carryforward as described above, and (b) the U.S. Holder s adjusted tax basis in the note. A U.S. Holder s adjusted tax basis in a note on any date generally will be equal to its adjusted issue price, as described above under Interest Income, on such date.

Gain recognized upon a sale, exchange, conversion, repurchase, or redemption of a note generally will be treated as additional ordinary interest income. Any loss recognized upon a sale, exchange, conversion, repurchase, or redemption of a note will be treated as an ordinary loss to the extent of the excess of previous interest inclusions over the total net negative adjustments previously taken into account as ordinary loss, and thereafter, as capital loss (which will be long-term if the note is held for more than one year). The deductibility of capital loss is subject to limitations.

A U.S. Holder s tax basis in shares of our common stock received upon a conversion of a note will equal the fair market value of the common stock received at the time of conversion. The U.S. Holder s holding period for the shares of our common stock received will commence on the day immediately following the date of conversion.

Constructive Distributions

The conversion rate of the notes will be adjusted in certain circumstances. Under section 305(c) of the Code, adjustments (or the absence of adjustments) that have the effect of increasing a holder s proportionate interest in our assets or earnings may in some circumstances result in a constructive distribution. If at any time we make a distribution of property to our stockholders that would be taxable to the stockholders as a distribution for United States federal income tax purposes as described below under Distributions on Common Stock and, in accordance with the anti-dilution provisions of the notes, the conversion rate of the notes is increased, this increase may be deemed to be the payment of a taxable distribution to U.S. Holders of the notes. For example, an increase in the conversion rate in the event of our distribution of our debt instruments or our assets generally will result in constructive distribution treatment to U.S. Holders of the notes, but an increase in the event of stock dividends or the distribution of rights to subscribe for our common stock generally will not. The amount of any constructive distribution resulting from adjustments (or the absence of adjustments) to the conversion rate would be treated for U.S. federal income tax purposes in the same manner as distributions on our common stock as described below under Distributions on Common Stock. It is not clear whether any portion of a constructive distribution treated as a dividend deemed paid to non-corporate holders would be eligible for the preferential rates of United States federal income tax applicable in respect of certain dividends. It is also unclear whether corporate holders would be entitled to claim the dividends received deduction with respect to any constructive dividends paid. Holders are urged to consult their tax advisors concerning the tax treatment of constructive distributions.

Distributions on Common Stock

If we make cash distributions on our common stock, the distributions generally will be treated as dividends to a U.S. Holder of our common stock to the extent of our current or accumulated earnings and profits as determined under United States federal income tax principles at the end of the tax year of the distribution, then as a tax-free return of capital to the extent of the U.S. Holder s adjusted tax basis in the common stock, and thereafter as gain from the sale or exchange of that stock. Eligible dividends received by a non-corporate U.S. Holder in tax years beginning on or before December 31, 2010, will be subject to tax at the special reduced rate generally applicable to long-term capital gain. A U.S. Holder generally will be eligible for this reduced rate only if the U.S. Holder has held our common stock for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. Corporate holders generally will be entitled to claim the dividends received deduction with respect to dividends paid on our common stock subject to applicable restrictions.

Disposition of Common Stock

Upon the sale or other disposition of our common stock received on conversion of a note, a U.S. Holder generally will recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon the sale or exchange and (ii) the U.S. Holder s adjusted tax basis in our common stock. That capital gain or loss will be long-term if the U.S. Holder s holding period in respect of the common stock is more than one year. Long term capital gain is eligible for reduced rates of taxation. The deductibility of capital loss is subject to limitations.

NON-U.S. HOLDERS

Notes

All payments on the notes made to a Non-U.S. Holder, including a payment in our common stock pursuant to a conversion, and any gain realized on a sale or exchange of the notes, will be exempt from United States income and withholding tax, provided that: (i) the Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote, (ii) the Non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership, (iii) the Non-U.S. Holder is not a bank receiving certain types of interest, (iv) the beneficial owner of the notes certifies, under penalties of perjury, to us or our paying agent on Internal Revenue Service Form W-8BEN (or appropriate substitute form) that it is not a United States person and provides its name, address and certain other required information or certain other certification requirements are satisfied, (v) the payments and gain are not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States, and (vi) to the extent the payments on the notes are described in section 871(h)(4)(A)(i), our common stock continues to be actively traded within the meaning of section 871(h)(4)(C)(v)(I) of the Code and we have not been a U.S. real property holding corporation, as defined in the Code, at any time within the five-year period preceding the disposition or the Non-U.S. Holder s holding period, whichever is shorter. We believe that we are not, and do not anticipate becoming, a U.S. real property holding corporation.

If a Non-U.S. Holder cannot satisfy the requirements described above, payments of interest will be subject to the 30% United States federal withholding tax, unless you provide us with a properly executed (1) Internal Revenue Service Form W-8BEN (or appropriate substitute form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (2) Internal Revenue Service Form W-8ECI (or appropriate substitute form) stating that interest (including original issue discount) paid on the notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States.

If a Non-U.S. Holder of a note were deemed to have received a constructive distribution (see U.S. Holders Constructive Distributions above), however, the Non-U.S. Holder generally would be subject to United States withholding tax at a 30% rate on the amount treated as a dividend, thereby potentially reducing the amount of interest payable to it, subject to reduction (i) by an applicable treaty if the Non-U.S. Holder provides an Internal Revenue Service Form W-8BEN (or appropriate substitute form) certifying that it is entitled to such treaty benefits or (ii) upon the receipt of an Internal Revenue Service Form W-8ECI (or appropriate substitute form) from a Non-US. Holder claiming that the constructive dividend on the notes is effectively connected with the conduct of a United States trade or business.

Common Stock

Dividends paid to a Non-U.S. Holder of common stock generally will be subject to withholding tax at a 30% rate subject to reduction (a) by an applicable treaty if the Non-U.S. Holder provides an Internal Revenue Service Form W-8BEN (or appropriate substitute form) certifying that it is entitled to treaty benefits or (b) upon the receipt of an Internal Revenue Service Form W-8ECI (or appropriate substitute

Table of Contents

Important United States federal income tax consequences

form) from a Non-U.S. Holder claiming that the payments are effectively connected with the conduct of a United States trade or business.

A Non-U.S. Holder generally will not be subject to United States federal income tax on gain realized on the sale or exchange of the common stock received upon a conversion of notes unless (a) the gain is effectively connected with the conduct of a United States trade or business of the Non-U.S. Holder, (b) in the case of a Non-U.S. Holder who is a nonresident alien individual, the individual is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, or (c) we will have been a U.S. real property holding corporation at any time within the shorter of the five-year period preceding the sale or exchange and the Non-U.S. Holder s holding period in the common stock. We believe that we are not, and do not anticipate becoming, a U.S. real property holding corporation.

Income Effectively Connected with a United States Trade or Business

If a Non-U.S. Holder of notes or our common stock is engaged in a trade or business in the United States, and if interest on the notes, dividends on our common stock, or gain realized on the sale, exchange, conversion, or other disposition of the notes or gain realized on the sale or exchange of our common stock is effectively connected with the conduct of this trade or business, the Non-U.S. Holder, although exempt from the withholding tax in the manner discussed in the preceding paragraphs, generally will be subject to regular United States federal income tax on the interest, dividends or gain in the same manner as if it were a U.S. Holder. In addition, if a Non-U.S. Holder is a foreign corporation, the Non-U.S. Holder may be subject to a branch profits tax equal to 30% (or lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Payments of interest or dividends made by us on, or the proceeds of the sale or other disposition of, the notes or shares of common stock may be subject to information reporting and United States federal backup withholding tax, if the recipient of the payment fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amount withheld under the backup withholding rules is allowable as a credit against the holder s United States federal income tax, provided that the required information is furnished to the Internal Revenue Service.

Underwriting

We are offering the notes described in this prospectus supplement through the underwriters named below. UBS Securities LLC is the representative of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, each of the underwriters has severally agreed to purchase the principal amount of notes listed next to its name in the following table:

Underwriters	Principal amount of notes
UBS Securities LLC	$ 277,500,000
Canaccord Adams Inc.	7,500,000
First Albany Capital Inc.	7,500,000
Wells Fargo Securities, LLC	7,500,000
Total	$ 300,000,000

The underwriting agreement provides that the underwriters must buy all of the notes if they buy any of them. However, the underwriters are not required to take or pay for the notes covered by the underwriters over-allotment option described below.

The notes are offered subject to a number of conditions, including:

Ø receipt and acceptance of the notes by the underwriters, and

Ø the underwriters right to reject orders in whole or in part.

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses electronically.

Over-allotment option

We have granted the underwriters an option to buy up to $45 million additional principal amount of notes. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with this offering. If the underwriters exercise this option, they will each purchase an additional principal amount of notes approximately in proportion to the amounts specified in the table above. Such additional notes may be purchased at any time during the 13-day period beginning with, and including, the initial issuance of the notes.

Commissions and discounts

Notes sold by the underwriters to the public will initially be offered at the offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the public offering price of up to 1.425% of the principal amount of notes. Any of these securities dealers may resell any notes purchased from the underwriters to other brokers or dealers at a discount from the public offering price of up to 0.3% of the principal amount of notes. If all the notes are not sold at the public offering price, the representatives may change the offering price and the other selling terms. Sales of notes made outside of the United States may be made by affiliates of the underwriters.

Table of Contents

Underwriting

The following table shows the per note (expressed as a percentage of the principal amount of notes) and total underwriting discounts and commissions we will pay to the underwriters, assuming both no exercise and full exercise of the underwriters option to purchase up to an additional $45 million aggregate principal amount of notes:

	No Exercise	Full Exercise
Per note	2.375%	2.375%
Total	$ 7,125,000	$ 8,193,750

We estimate that the total expenses of this offering payable by us, not including the underwriting discounts and commissions, will be approximately $500,000.

In compliance with NASD guidelines, the maximum commission or discount to be received by any NASD member or independent broker-dealer may not exceed 8% of the aggregate amount of the securities offered pursuant to this prospectus supplement.

No sales of similar securities

We and our executive officers and directors have entered into lock-up agreements with the underwriters. Under these agreements, we and each of these persons may not, without the prior written approval of UBS Securities LLC, subject to limited exceptions, offer, sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of or enter into any swap or other arrangement that transfers to another any economic consequences of ownership of the notes offered hereby, our common stock, any debt securities that are substantially similar to the notes offered hereby, debt securities or other securities that are substantially similar to our common stock, or securities convertible into or exercisable or exchangeable for or warrants or other rights to purchase the notes offered hereby, our common stock and other such securities. These restrictions will be in effect for a period of 90 days after the date of this prospectus supplement. At any time and without public notice, UBS Securities LLC may in its sole discretion release all or some of the securities from these lock-up agreements. Notwithstanding the foregoing, if (1) during the last 15 calendar days plus the three business days of the 90-day lock-up period we issue an earnings release or material news or a material event relating to us occurs or (2) prior to the expiration of the 90-day lock-up period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day lock-up period, then the restrictions described above will continue to apply until the expiration of the 15-calendar-day-plus-three-business-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Indemnification and contribution

We have agreed to indemnify the underwriters and their controlling persons against certain liabilities, including liabilities under the Securities Act. If we are unable to provide this indemnification, we will contribute to payments the underwriters and their controlling persons may be required to make in respect of those liabilities.

Nasdaq Global Select Market quotation

Our common stock is quoted on The Nasdaq Global Select Market under the symbol ITRI.

The notes are a new issue of securities with no established market. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotations system. We have been advised by the underwriters that the underwriters intend to make a market in the

Table of Contents

Underwriting

notes but none of the underwriters is obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market, if any, for the notes.

Price stabilization, short positions, passive market making

In connection with this offering, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of the notes and our common stock, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids;
- syndicate covering transactions; and
- passive market making.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while this offering is in progress. These transactions may also include making short sales of the notes, which involve the sale by the underwriters of a greater aggregate principal amount of notes than they are required to purchase in this offering. Short sales may be covered short sales, which are short positions in an amount not greater than the underwriters over-allotment option referred to above, or may be naked short sales, which are short positions in excess of that amount.

The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing notes in the open market. In making this determination, the underwriters will consider, among other things, the price of notes available for purchase in the open market compared to the price at which they may purchase notes through the over-allotment option. The underwriters must close out any naked short position by purchasing notes in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the notes in the open market that could adversely affect investors who purchased in this offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of that underwriter in stabilizing or short covering transactions.

As a result of these activities, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. The underwriters may carry out these transactions in the over-the-counter market or otherwise.

Affiliations

The underwriters and their affiliates have provided and may provide in the future certain commercial banking, financial advisory and investment banking services for us, including in connection with acquisitions, for which they receive fees.

The underwriters and their affiliates may from time to time in the future engage in transactions with us and perform services for us in the ordinary course of their business.

Table of Contents

Legal matters

Certain legal matters in connection with the offering of the notes will be passed upon for us by Perkins Coie LLP, Seattle, Washington. Certain legal matters with respect to the notes will be passed upon for the underwriters by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California.

Where you can find more information

Itron, Inc. files reports and other information with the Securities and Exchange Commission (SEC). These SEC filings are available over the Internet at the SEC s web site at http://www.sec.gov. You may also read and copy any document we file at the SEC s Public Reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms and their copy charges.

We maintain a website at *www.itron.com*. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

Information incorporated by reference

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it. This means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is considered a part of this prospectus supplement and the accompanying prospectus, and later information we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than information furnished under Item 2.02 or Item 7.01 of any Form 8-K that is listed below or that is filed in the future, which information is not deemed filed under the Exchange Act) prior to the termination of this offering:

Ø Our Annual Report on Form 10-K for the year ended December 31, 2005;

Ø Our Quarterly Reports on Form 10-Q for the periods ended March 31, 2006 and June 30, 2006;

Ø Our Current Reports on Form 8-K filed on January 3, 2006, February 17, 2006, February 24, 2006, May 10, 2006 and May 19, 2006;

Ø Our Definitive Proxy Statement on Schedule 14A, filed on March 16, 2006, in connection with our 2006 Annual Meeting of Shareholders; and

Ø The description of our preferred share purchase rights, as set forth in our Form 8-A, which was filed on December 16, 2002.

Any statement contained in a document incorporated by reference in this prospectus supplement or the accompanying prospectus shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this prospectus supplement, in the accompanying prospectus or in any subsequently filed document that is also incorporated or deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

You may obtain any of the documents incorporated by reference through the SEC at the address indicated above or through the SEC s website as described above. You may also obtain copies of these documents, other than exhibits (unless the exhibit is specifically incorporated by reference into the information that this prospectus supplement or the accompanying prospectus incorporates), free of charge by contacting our investor relations department in writing or by telephone at our principal offices, which are located at 2818 N. Sullivan Road, Spokane Valley, Washington, 99216-1897, and our telephone number is (509) 924-9900.

Table of Contents

PROSPECTUS

Itron, Inc.

Common Stock

Preferred Stock

Debt Securities

Convertible Debt Securities

We may, from time to time, offer to sell common stock, preferred stock, debt securities or convertible debt securities. We refer to our common stock, preferred stock, debt securities and convertible debt securities collectively as the securities. The securities we may offer may be convertible into or exercisable or exchangeable for our other securities. We may offer the securities separately or together, in separate series or classes and in amounts, at prices and on terms described in one or more supplements to this prospectus. In addition, this prospectus may be used to offer securities for the account of persons other than us.

This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered, and any other information relating to a specific offering, will be set forth in a post-effective amendment to the Registration Statement of which this prospectus is a part or in a supplement to this prospectus or may be set forth in one or more documents incorporated by reference in this prospectus.

We or any selling securityholder may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. The supplements to this prospectus will provide the specific terms of the plan of distribution. This prospectus may not be used to offer and sell securities unless accompanied by a prospectus supplement.

Our common stock is quoted on the Nasdaq National Market under the symbol ITRI.

Investing in our securities involves risks that are described in the Risk Factors section contained in the applicable prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 6, 2006.

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a Registration Statement on Form S-3 that we filed with the Securities and Exchange Commission (SEC) using the shelf registration process. By using a shelf registration statement, we and/or certain selling securityholders may offer and sell, from time to time, in one or more offerings, the securities described in this prospectus. No limit exists on the aggregate amount of the securities we may sell pursuant to the Registration Statement.

You should rely only on the information contained in or incorporated by reference into this prospectus or any applicable prospectus supplement. We have not authorized anyone to provide you with different information. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus, or in any prospectus supplement, is accurate as of any date other than its date regardless of the time of delivery of the prospectus or prospectus supplement or any sale of the securities.

This prospectus includes trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included in this prospectus are the property of their respective owners.

We urge you to read carefully both this prospectus and the prospectus supplement accompanying this prospectus, together with the information incorporated herein by reference as described under the heading Where You Can Find More Information, before deciding whether to invest in any of the securities being offered.

References in this prospectus to Itron, we, us and our are to Itron, Inc. and its subsidiaries. The term you refers to a prospective investor. Our principal executive offices are located at 2818 N. Sullivan Road, Spokane Valley, Washington 99216-1897. Our phone number is (509) 924-9900.

RISK FACTORS

Please carefully consider the risk factors described in our periodic reports filed with the SEC, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus or include in any applicable prospectus supplement. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, as well as registration and proxy statements and other information, with the SEC. These documents may be read and copied at the Public Reference Room at 100 F. Street, N.E., Washington, D.C. 20549. You can get further information about the SEC s Public Reference Room by calling 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov that contains reports, registration statements and other information regarding registrants like us that file electronically with the SEC.

Table of Contents

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information we file with it. This means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is considered a part of this prospectus, and later information we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering is completed:

- Our Annual Report on Form 10-K for the year ended December 31, 2005;
- Our Current Reports on Form 8-K filed on January 3, February 17 and February 24, 2006;
- Our Definitive Proxy Statement on Schedule 14A, filed on March 16, 2006, in connection with our 2006 Annual Meeting of Shareholders;
- The description of our common stock as set forth in our registration statement on Form 8-A, which was filed on September 18, 1993; and the description of our preferred share purchase rights, as set forth in our Form 8-A, which was filed on December 16, 2002;
- The description of the preferred share purchase rights in our registration statement on Form 8-K, filed on December 12, 2002, under Section 12(b) of the Exchange Act, File No. 00-22418, including any amendments or reports filed for the purpose of updating such description.

You may obtain any of the documents incorporated by reference through the SEC or the SEC s website as described above. You may also obtain copies of these documents, other than exhibits, free of charge by contacting our investor relations department at our principal offices, which are located at 2818 N. Sullivan Road, Spokane Valley, Washington, 99216-1897, and our telephone number is (509) 924-9900.

ITRON, INC.

Itron is a technology and knowledge provider to the global energy and water industries. We provide our customers with industry-leading solutions for electricity metering, meter data collection (which includes automatic meter reading or AMR), energy and water information management, demand side management and response, load forecasting, analysis and consulting services, distribution system design and optimization, web-based workforce automation, commercial and industrial customer care and residential energy and water management.

USE OF PROCEEDS

We will set forth in the applicable prospectus supplement our intended use for the net proceeds received by us from our sale of securities under this prospectus. We will not receive the net proceeds of any sales by selling securityholders.

DESCRIPTION OF SECURITIES

We may offer shares of common stock, preferred stock, debt securities and convertible debt securities. We will set forth in the applicable prospectus supplement a description of the common stock, preferred stock, debt securities or convertible debt securities that may be offered under this prospectus. The terms of the offering of securities, the initial offering price and the net proceeds to us will be contained in the prospectus supplement, and other offering material, relating to such offering.

Table of Contents

SELLING SECURITYHOLDERS

Information about selling securityholders, where applicable, will be set forth in a prospectus supplement, in a post-effective amendment, or in filings we make with the SEC under the Exchange Act, which are incorporated by reference.

LEGAL MATTERS

Perkins Coie LLP, Seattle, Washington, will provide Itron with an opinion as to the legality of the securities we are offering. Counsel representing any underwriters will be named in the applicable prospectus supplement.

EXPERTS

The financial statements, the related financial statement schedule, and management s report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from Itron s Annual Report on Form 10-K for the year ended December 31, 2005 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

Table of Contents

Itron, Inc.

2.50% Convertible Senior Subordinated

Notes due 2026

PROSPECTUS SUPPLEMENT

July 31, 2006