

METTLER TOLEDO INTERNATIONAL INC/  
Form 10-Q  
May 03, 2013  
Table of Contents

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2013, OR  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission File Number: 1-13595  
Mettler-Toledo International Inc.

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(Exact name of registrant as specified in its charter)

|                                                                                                                                                                                                          |                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Delaware<br>(State or other jurisdiction of<br>incorporation or organization)<br>1900 Polaris Parkway<br>Columbus, Ohio 43240<br>and<br>Im Langacher, P.O. Box MT-100<br>CH 8606 Greifensee, Switzerland | 13-3668641<br>(I.R.S Employer Identification No.) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|

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(Address of principal executive offices)  
(Zip Code)  
1-614-438-4511 and +41-44-944-22-11

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(Registrant's telephone number, including area code)

not applicable

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(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web-site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer.  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The Registrant had 30,185,911 shares of Common Stock outstanding at March 31, 2013.

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Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.  
INDEX TO QUARTERLY REPORT ON FORM 10-Q

|                                                                                                                                                    | PAGE      |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <u>PART I. FINANCIAL INFORMATION</u>                                                                                                               |           |
| <u>Item 1. Financial Statements</u>                                                                                                                |           |
| <u>Unaudited Interim Consolidated Financial Statements:</u>                                                                                        |           |
| <u>Interim Consolidated Statements of Operations and Comprehensive Income for the three months ended March 31, 2013 and 2012</u>                   | <u>3</u>  |
| <u>Interim Consolidated Balance Sheets as of March 31, 2013 and December 31, 2012</u>                                                              | <u>4</u>  |
| <u>Interim Consolidated Statements of Shareholders' Equity for the three months ended March 31, 2013 and twelve months ended December 31, 2012</u> | <u>5</u>  |
| <u>Interim Consolidated Statements of Cash Flows for the three months ended March 31, 2013 and 2012</u>                                            | <u>6</u>  |
| <u>Notes to the Interim Consolidated Financial Statements at March 31, 2013</u>                                                                    | <u>7</u>  |
| <u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>                                               | <u>19</u> |
| <u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>                                                                          | <u>27</u> |
| <u>Item 4. Controls and Procedures</u>                                                                                                             | <u>27</u> |
| <u>PART II. OTHER INFORMATION</u>                                                                                                                  |           |
| <u>Item 1. Legal Proceedings</u>                                                                                                                   | <u>28</u> |
| <u>Item 1A. Risk Factors</u>                                                                                                                       | <u>28</u> |
| <u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>                                                                         | <u>28</u> |
| <u>Item 3. Defaults upon Senior Securities</u>                                                                                                     | <u>28</u> |
| <u>Item 5. Other Information</u>                                                                                                                   | <u>28</u> |
| <u>Item 6. Exhibits</u>                                                                                                                            | <u>28</u> |
| <u>SIGNATURE</u>                                                                                                                                   | <u>29</u> |

Table of Contents

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## METTLER-TOLEDO INTERNATIONAL INC.

## INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Three months ended March 31, 2013 and 2012

(In thousands, except share data)

(unaudited)

|                                                                | March 31,<br>2013 | March 31,<br>2012 |
|----------------------------------------------------------------|-------------------|-------------------|
| Net sales                                                      |                   |                   |
| Products                                                       | \$401,612         | \$419,991         |
| Service                                                        | 122,741           | 115,409           |
| Total net sales                                                | 524,353           | 535,400           |
| Cost of sales                                                  |                   |                   |
| Products                                                       | 172,159           | 187,845           |
| Service                                                        | 72,941            | 70,453            |
| Gross profit                                                   | 279,253           | 277,102           |
| Research and development                                       | 27,700            | 28,667            |
| Selling, general and administrative                            | 166,120           | 167,641           |
| Amortization                                                   | 5,122             | 5,199             |
| Interest expense                                               | 5,400             | 5,823             |
| Restructuring charges                                          | 5,002             | 308               |
| Other charges (income), net                                    | 773               | 156               |
| Earnings before taxes                                          | 69,136            | 69,308            |
| Provision for taxes                                            | 16,592            | 16,981            |
| Net earnings                                                   | \$52,544          | \$52,327          |
| Basic earnings per common share:                               |                   |                   |
| Net earnings                                                   | \$1.73            | \$1.66            |
| Weighted average number of common shares                       | 30,299,569        | 31,531,915        |
| Diluted earnings per common share:                             |                   |                   |
| Net earnings                                                   | \$1.69            | \$1.62            |
| Weighted average number of common and common equivalent shares | 31,101,979        | 32,386,924        |
| Comprehensive income, net of tax (Note 8)                      | \$35,429          | \$73,118          |

The accompanying notes are an integral part of these interim consolidated financial statements.

Table of ContentsMETTLER-TOLEDO INTERNATIONAL INC.  
INTERIM CONSOLIDATED BALANCE SHEETS

As of March 31, 2013 and December 31, 2012

(In thousands, except share data)

(unaudited)

|                                                                                                                                                                 | March 31,<br>2013 | December 31,<br>2012 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|
| <b>ASSETS</b>                                                                                                                                                   |                   |                      |
| Current assets:                                                                                                                                                 |                   |                      |
| Cash and cash equivalents                                                                                                                                       | \$93,209          | \$101,702            |
| Trade accounts receivable, less allowances of \$12,766 at March 31, 2013 and \$14,120 at December 31, 2012                                                      | 410,650           | 437,390              |
| Inventories                                                                                                                                                     | 199,574           | 198,939              |
| Current deferred tax assets, net                                                                                                                                | 58,636            | 57,690               |
| Other current assets and prepaid expenses                                                                                                                       | 66,869            | 69,199               |
| Total current assets                                                                                                                                            | 828,938           | 864,920              |
| Property, plant and equipment, net                                                                                                                              | 466,165           | 469,421              |
| Goodwill                                                                                                                                                        | 445,709           | 452,351              |
| Other intangible assets, net                                                                                                                                    | 115,489           | 117,564              |
| Non-current deferred tax assets, net                                                                                                                            | 125,723           | 127,110              |
| Other non-current assets                                                                                                                                        | 88,582            | 86,034               |
| Total assets                                                                                                                                                    | \$2,070,606       | \$2,117,400          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                                                                                                     |                   |                      |
| Current liabilities:                                                                                                                                            |                   |                      |
| Trade accounts payable                                                                                                                                          | \$116,678         | \$142,362            |
| Accrued and other liabilities                                                                                                                                   | 109,463           | 109,844              |
| Accrued compensation and related items                                                                                                                          | 85,239            | 117,405              |
| Deferred revenue and customer prepayments                                                                                                                       | 82,418            | 71,435               |
| Taxes payable                                                                                                                                                   | 50,692            | 64,000               |
| Current deferred tax liabilities                                                                                                                                | 15,846            | 16,031               |
| Short-term borrowings and current maturities of long-term debt                                                                                                  | 17,959            | 41,600               |
| Total current liabilities                                                                                                                                       | 478,295           | 562,677              |
| Long-term debt                                                                                                                                                  | 421,913           | 347,131              |
| Non-current deferred tax liabilities                                                                                                                            | 137,846           | 139,487              |
| Other non-current liabilities                                                                                                                                   | 232,330           | 240,886              |
| Total liabilities                                                                                                                                               | 1,270,384         | 1,290,181            |
| Commitments and contingencies (Note 14)                                                                                                                         |                   |                      |
| Shareholders' equity:                                                                                                                                           |                   |                      |
| Preferred stock, \$0.01 par value per share; authorized 10,000,000 shares                                                                                       | —                 | —                    |
| Common stock, \$0.01 par value per share; authorized 125,000,000 shares; issued 44,786,011 and 44,786,011 shares; outstanding 30,185,911, and 30,410,006 shares | 448               | 448                  |
| at March 31, 2013 and December 31, 2012, respectively                                                                                                           |                   |                      |
| Additional paid-in capital                                                                                                                                      | 641,510           | 638,705              |
| Treasury stock at cost (14,600,100 shares at March 31, 2013 and 14,376,005 shares at December 31, 2012)                                                         | (1,525,455        | ) (1,463,924 )       |
| Retained earnings                                                                                                                                               | 1,798,295         | 1,749,451            |
| Accumulated other comprehensive loss                                                                                                                            | (114,576          | ) (97,461 )          |
| Total shareholders' equity                                                                                                                                      | 800,222           | 827,219              |

|                                            |             |             |
|--------------------------------------------|-------------|-------------|
| Total liabilities and shareholders' equity | \$2,070,606 | \$2,117,400 |
|--------------------------------------------|-------------|-------------|

The accompanying notes are an integral part of these interim consolidated financial statements.

- 4 -

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Table of Contents

## METTLER-TOLEDO INTERNATIONAL INC.

## INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Three months ended March 31, 2013 and twelve months ended December 31, 2012

(In thousands, except share data)

(unaudited)

|                                                                             | Common Stock<br>Shares | Common Stock<br>Amount | Additional<br>Paid-in<br>Capital | Treasury<br>Stock | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total      |
|-----------------------------------------------------------------------------|------------------------|------------------------|----------------------------------|-------------------|----------------------|--------------------------------------------------------|------------|
| Balance at December 31,<br>2011                                             | 31,590,101             | \$ 448                 | \$ 616,202                       | \$(1,225,125)     | \$ 1,476,550         | \$ (86,938 )                                           | \$ 781,137 |
| Exercise of stock options<br>and restricted<br>stock units                  | 457,732                | —                      | —                                | 39,873            | (17,946 )            | —                                                      | 21,927     |
| Repurchases of common<br>stock                                              | (1,637,827 )           | —                      | —                                | (278,672 )        | —                    | —                                                      | (278,672 ) |
| Tax benefit resulting from<br>exercise of certain<br>employee stock options | —                      | —                      | 9,318                            | —                 | —                    | —                                                      | 9,318      |
| Share-based compensation                                                    | —                      | —                      | 13,185                           | —                 | —                    | —                                                      | 13,185     |
| Net earnings                                                                | —                      | —                      | —                                | —                 | 290,847              | —                                                      | 290,847    |
| Other comprehensive<br>income (loss),<br>net of tax (Note 8)                | —                      | —                      | —                                | —                 | —                    | (10,523 )                                              | (10,523 )  |
| Balance at December 31,<br>2012                                             | 30,410,006             | \$ 448                 | \$ 638,705                       | \$(1,463,924)     | \$ 1,749,451         | \$ (97,461 )                                           | \$ 827,219 |
| Exercise of stock options<br>and restricted<br>stock units                  | 117,014                | —                      | —                                | 10,769            | (3,700 )             | —                                                      | 7,069      |
| Repurchases of common<br>stock                                              | (341,109 )             | —                      | —                                | (72,300 )         | —                    | —                                                      | (72,300 )  |
| Share-based compensation                                                    | —                      | —                      | 2,805                            | —                 | —                    | —                                                      | 2,805      |
| Net earnings                                                                | —                      | —                      | —                                | —                 | 52,544               | —                                                      | 52,544     |
| Other comprehensive<br>income (loss),<br>net of tax (Note 8)                | —                      | —                      | —                                | —                 | —                    | (17,115 )                                              | (17,115 )  |
| Balance at March 31, 2013                                                   | 30,185,911             | \$ 448                 | \$ 641,510                       | \$(1,525,455)     | \$ 1,798,295         | \$ (114,576 )                                          | \$ 800,222 |

The accompanying notes are an integral part of these interim consolidated financial statements.

Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.  
 INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
 Three months ended March 31, 2013 and 2012  
 (In thousands)  
 (unaudited)

|                                                                                     | March 31,<br>2013 | March 31,<br>2012 |   |
|-------------------------------------------------------------------------------------|-------------------|-------------------|---|
| Cash flows from operating activities:                                               |                   |                   |   |
| Net earnings                                                                        | \$52,544          | \$52,327          |   |
| Adjustments to reconcile net earnings to net cash provided by operating activities: |                   |                   |   |
| Depreciation                                                                        | 8,881             | 7,775             |   |
| Amortization                                                                        | 5,122             | 5,199             |   |
| Deferred tax benefit                                                                | (3,354)           | (2,061)           | ) |
| Excess tax benefits from share-based payment arrangements                           | (256)             | (276)             | ) |
| Share-based compensation                                                            | 2,805             | 3,303             |   |
| Other                                                                               | 26                | 882               |   |
| Increase (decrease) in cash resulting from changes in:                              |                   |                   |   |
| Trade accounts receivable, net                                                      | 20,650            | 41,057            |   |
| Inventories                                                                         | (5,017)           | 8,300             | ) |
| Other current assets                                                                | 1,282             | (1,983)           | ) |
| Trade accounts payable                                                              | (25,352)          | (38,231)          | ) |
| Taxes payable                                                                       | (11,124)          | (693)             | ) |
| Accruals and other                                                                  | (22,535)          | (54,802)          | ) |
| Net cash provided by operating activities                                           | 23,672            | 20,797            |   |
| Cash flows from investing activities:                                               |                   |                   |   |
| Proceeds from sale of property, plant and equipment                                 | 36                | 87                |   |
| Purchase of property, plant and equipment                                           | (19,018)          | (18,529)          | ) |
| Net cash used in investing activities                                               | (18,982)          | (18,442)          | ) |
| Cash flows from financing activities:                                               |                   |                   |   |
| Proceeds from borrowings                                                            | 141,959           | 60,879            |   |
| Repayments of borrowings                                                            | (89,334)          | (93,878)          | ) |
| Proceeds from stock option exercises                                                | 7,069             | 12,838            |   |
| Repurchases of common stock                                                         | (72,300)          | (63,721)          | ) |
| Excess tax benefits from share-based payment arrangements                           | 256               | 276               |   |
| Other financing activities                                                          | (483)             | (164)             | ) |
| Net cash used in financing activities                                               | (12,833)          | (83,770)          | ) |
| Effect of exchange rate changes on cash and cash equivalents                        | (350)             | 2,006             | ) |
| Net decrease in cash and cash equivalents                                           | (8,493)           | (79,409)          | ) |
| Cash and cash equivalents:                                                          |                   |                   |   |
| Beginning of period                                                                 | 101,702           | 235,601           |   |
| End of period                                                                       | \$93,209          | \$156,192         |   |

The accompanying notes are an integral part of these interim consolidated financial statements.





Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited

(In thousands, except share data, unless otherwise stated)

1. BASIS OF PRESENTATION

Mettler-Toledo International Inc. ("Mettler-Toledo" or the "Company") is a leading global supplier of precision instruments and services. The Company manufactures weighing instruments for use in laboratory, industrial, packaging, logistics and food retailing applications. The Company also manufactures several related analytical instruments and provides automated chemistry solutions used in drug and chemical compound discovery and development. In addition, the Company manufactures metal detection and other end-of-line inspection systems used in production and packaging and provides solutions for use in certain process analytics applications. The Company's primary manufacturing facilities are located in China, Germany, Switzerland, the United Kingdom and the United States. The Company's principal executive offices are located in Columbus, Ohio and Greifensee, Switzerland. The accompanying interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include all entities in which the Company has control, which are its wholly-owned subsidiaries. The interim consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The interim consolidated financial statements as of March 31, 2013 and for the three months ended March 31, 2013 and 2012 should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

The accompanying interim consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. Operating results for the three months ended March 31, 2013 are not necessarily indicative of the results to be expected for the full year ending December 31, 2013.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates. A discussion of the Company's critical accounting policies is included in Management's Discussion and Analysis of Financial Condition and Results of Operations and the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

All intercompany transactions and balances have been eliminated.

Certain reclassifications have been made to prior year amounts to conform to the current year presentations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts represents the Company's best estimate of probable credit losses in its existing trade accounts receivable. The Company determines the allowance based upon a review of both specific accounts for collection and the age of the accounts receivable portfolio.

Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

**Inventories**

Inventories are valued at the lower of cost or net realizable value. Cost, which includes direct materials, labor and overhead, is generally determined using the first in, first out (FIFO) method. The estimated net realizable value is based on assumptions for future demand and related pricing. Adjustments to the cost basis of the Company's inventory are made for excess and obsolete items based on usage, orders and technological obsolescence. If actual market conditions are less favorable than those projected by management, reductions in the value of inventory may be required.

Inventories consisted of the following:

|                         | March 31,<br>2013 | December 31,<br>2012 |
|-------------------------|-------------------|----------------------|
| Raw materials and parts | \$93,781          | \$94,809             |
| Work-in-progress        | 36,858            | 33,608               |
| Finished goods          | 68,935            | 70,522               |
|                         | \$199,574         | \$198,939            |

**Goodwill and Other Intangible Assets**

Goodwill, representing the excess of purchase price over the net asset value of companies acquired, and indefinite-lived intangible assets are not amortized, but are reviewed for impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that an asset might be impaired. The annual evaluation for goodwill is generally based on an assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount.

If the Company is unable to conclude that the goodwill asset is not impaired after considering the totality of events and circumstances during its qualitative assessment, the Company performs the first step of the two-step impairment test by estimating the fair value of the reporting unit and comparing the fair value to the carrying amount of the reporting unit. If the carrying amount of the goodwill asset exceeds its fair value, then the Company performs the second step of the goodwill impairment test to measure the amount of the impairment loss, if any.

If the Company is unable to conclude that the indefinite-lived intangible asset is not impaired after considering the totality of events and circumstances during its qualitative assessment, the Company performs an impairment test to measure the amount of the impairment loss, if any.

Other intangible assets include indefinite-lived assets and assets subject to amortization. Where applicable, amortization is charged on a straight-line basis over the expected period to be benefited. The straight-line method of amortization reflects an appropriate allocation of the cost of the intangible assets to earnings in proportion to the amount of economic benefits obtained by the Company in each reporting period. The Company assesses the initial acquisition of intangible assets in accordance with the provisions of ASC 805 "Business Combinations" and the continued accounting for previously recognized intangible assets and goodwill in accordance with the provisions of ASC 350 "Intangibles – Goodwill and Other" and ASC 360 "Property, Plant and Equipment."

Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

Other intangible assets consisted of the following:

|                               | March 31, 2013  |                             | December 31, 2012 |                             |
|-------------------------------|-----------------|-----------------------------|-------------------|-----------------------------|
|                               | Gross<br>Amount | Accumulated<br>Amortization | Gross<br>Amount   | Accumulated<br>Amortization |
| Customer relationships        | \$96,312        | \$(22,687 )                 | \$96,575          | \$(21,928 )                 |
| Proven technology and patents | 42,074          | (28,234 )                   | 42,960            | (28,014 )                   |
| Tradename (finite life)       | 4,018           | (1,343 )                    | 3,972             | (1,345 )                    |
| Tradename (indefinite life)   | 25,018          | —                           | 25,061            | —                           |
| Other                         | 741             | (410 )                      | 745               | (462 )                      |
|                               | \$168,163       | \$(52,674 )                 | \$169,313         | \$(51,749 )                 |

The Company recognized amortization expense associated with the above intangible assets of \$1.4 million and \$1.9 million for the three months ended March 31, 2013 and 2012, respectively. The annual aggregate amortization expense based on the current balance of other intangible assets is estimated at \$5.9 million for 2013, \$5.8 million for 2014, \$5.1 million for 2015, \$5.0 million for 2016, \$4.7 million for 2017 and \$4.5 million for 2018. Purchased intangible amortization was \$1.3 million (\$0.9 million after tax) and \$1.7 million (\$1.1 million after tax) for the three months ended March 31, 2013 and 2012, respectively.

In addition to the above amortization, the Company recorded amortization expense associated with capitalized software of \$3.7 million and \$3.2 million for the three months ended March 31, 2013 and 2012, respectively.

**Revenue Recognition**

Revenue is recognized when title to a product has transferred and any significant customer obligations have been fulfilled. Standard shipping terms are generally FOB shipping point in most countries and, accordingly, title and risk of loss transfers upon shipment. In countries where title cannot legally transfer before delivery, the Company defers revenue recognition until delivery has occurred. The Company generally maintains the right to accept or reject a product return in its terms and conditions and also maintains appropriate accruals for outstanding credits. Shipping and handling costs charged to customers are included in total net sales and the associated expense is recorded in cost of sales for all periods presented. Other than a few small software applications, the Company does not sell software products without the related hardware instrument as the software is embedded in the instrument. The Company's products typically require no significant production, modification or customization of the hardware or software that is essential to the functionality of the products. To the extent the Company's solutions have a post-shipment obligation, such as customer acceptance, revenue is deferred until the obligation has been completed. The Company defers product revenue where installation is required, unless such installation is deemed perfunctory. The Company also sometimes enters into certain arrangements that require the separate delivery of multiple goods and/or services. These deliverables are accounted for separately if the deliverables have standalone value and the performance of undelivered items is probable and within the Company's control. The allocation of revenue between the separate deliverables is typically based on the relative selling price at the time of the sale in accordance with a number of factors including service technician billing rates, time to install and geographic location.

Further, certain products are also sold through indirect distribution channels whereby the distributor assumes any further obligations to the customer upon title transfer. Revenue is recognized on these products upon transfer of title and risk of loss to its distributors. Distributor discounts are offset against revenue at the time such revenue is recognized.

Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

Service revenue not under contract is recognized upon the completion of the service performed. Spare parts sold on a stand-alone basis are recognized upon title and risk of loss transfer which is generally at the time of shipment. Revenues from service contracts are recognized ratably over the contract period. These contracts represent an obligation to perform repair and other services including regulatory compliance qualification, calibration, certification and preventative maintenance on a customer's pre-defined equipment over the contract period. Service contracts are separately priced and payment is typically received from the customer at the beginning of the contract period.

**Warranty**

The Company generally offers one-year warranties on most of its products. Product warranties are recorded at the time revenue is recognized. While the Company engages in extensive product quality programs and processes, its warranty obligation is affected by product failure rates, material usage and service costs incurred in correcting a product failure. The Company's accrual for product warranties is included in accrued and other liabilities in the consolidated balance sheets. Changes to the Company's accrual for product warranties for the three months ended March 31 are as follows:

|                                | March 31,<br>2013 | March 31,<br>2012 |
|--------------------------------|-------------------|-------------------|
| Balance at beginning of period | \$16,295          | \$16,748          |
| Accruals for warranties        | 4,515             | 3,898             |
| Foreign currency translation   | (258              | ) 282             |
| Payments / utilizations        | (5,002            | ) (4,236          |
| Balance at end of period       | \$15,550          | \$16,692          |

**Employee Termination Benefits**

In situations where contractual termination benefits exist, the Company records accruals for employee termination benefits when it is probable that a liability has been incurred and the amount of the liability is reasonably estimable. All other employee termination arrangements are recognized and measured at their fair value at the communication date unless the employee is required to render additional service beyond the legal notification period, in which case the liability is recognized ratably over the future service period.

**Share-Based Compensation**

The Company recognizes share-based compensation expense within selling, general and administrative in the consolidated statements of operations and comprehensive income with a corresponding offset to additional paid-in capital in the consolidated balance sheet. The Company recorded \$2.8 million and \$3.3 million of share-based compensation expense for the three months ended March 31, 2013 and 2012, respectively.

**Research and Development**

Research and development costs primarily consist of salaries, consulting and other costs. The Company expenses these costs as incurred.

Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

3. FINANCIAL INSTRUMENTS

As more fully described below, the Company enters into certain interest rate swap agreements in order to manage its exposure to changes in interest rates. The amount of the Company's fixed obligation interest payments may change based upon the expiration dates of its interest rate swap agreements and the level and composition of its debt. The Company also enters into foreign currency forward contracts to limit the Company's exposure to currency fluctuations on the respective hedged items. The Company does not use derivative financial instruments for trading purposes. For additional disclosures on the fair value of financial instruments, also see Note 4 to the interim consolidated financial statements.

Cash Flow Hedge

The Company has an interest rate swap agreement, designated as a cash flow hedge. The agreement is a forward-starting swap which had the effect of changing the floating rate LIBOR-based interest payments associated with \$100 million in forecasted borrowings under the Company's credit facility to a fixed obligation of 3.24% beginning in October 2010. The swap is recorded gross in other non-current liabilities in the consolidated balance sheet at its fair value at March 31, 2013 and December 31, 2012 of \$7.5 million and \$8.2 million, respectively. The amount recognized in other comprehensive income (loss) during the three month periods ended March 31, 2013 and 2012 was a loss of \$0.1 million and a loss of \$0.4 million (\$0.3 million after tax), respectively. The effective portion of the loss reclassified from accumulated other comprehensive income (loss) to interest expense was \$0.8 million (\$0.5 million after tax) and \$0.7 million (\$0.5 million after tax) for the three months ended March 31, 2013 and 2012, respectively. A derivative loss of \$3.1 million based upon interest rates at March 31, 2013, is expected to be reclassified from other comprehensive income (loss) to earnings in the next twelve months. Through March 31, 2013, the hedge ineffectiveness related to this instrument was not material.

In July 2012, the Company began entering into foreign currency forward contracts, designated as cash flow hedges, to hedge certain forecasted intercompany sales denominated in euro with its Swiss-based business. The notional amount of foreign currency forward contracts outstanding at March 31, 2013 and December 31, 2012 were \$72.8 million and \$78.0 million, respectively. The foreign currency forward contracts are recorded gross at their fair value in the consolidated balance sheet at March 31, 2013 in other current assets of \$0.1 million, respectively, and in accrued and other liabilities of \$0.8 million, respectively. At December 31, 2012, the foreign currency forward contracts are recorded gross at their fair value in the consolidated balance in accrued and other liabilities of \$0.4 million, respectively. The Company records the effective portion of the cash flow derivative hedging gains and losses in accumulated other comprehensive income (loss), net of tax and reclassifies these amounts into earnings in the period in which the transactions affect earnings. The amount recognized in other comprehensive income (loss) during the three months period ended March 31, 2013 was a loss of \$0.8 million (\$0.6 million after tax). The effective portion of the loss reclassified from accumulated other comprehensive income (loss) to cost of sales was \$0.5 million (\$0.4 million after tax) for the three months ended March 31, 2013. A derivative loss of \$0.7 million as of March 31, 2013 is expected to be recognized in earnings in the next twelve months. Through March 31, 2013 no hedge ineffectiveness has occurred in relation to this hedge.

Other Derivatives

The Company enters into foreign currency forward contracts in order to economically hedge short-term intercompany balances largely denominated in Swiss franc and other major European currencies with its foreign businesses. In accordance with U.S. GAAP, these contracts are considered "derivatives not designated as hedging instruments." Gains or losses on these instruments are reported in current earnings. The foreign currency forward contracts were reported gross at their fair value in the consolidated balance sheet at March 31, 2013 and December 31, 2012 in other current assets of \$0.3 million and \$0.4 million, respectively, and other liabilities of \$0.6 million and \$0.3 million,

respectively. The Company recognized

- 11 -

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Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

in other charges (income), net a loss of \$2.2 million and a gain \$1.9 million during the three month periods ended March 31, 2013 and 2012, respectively. At March 31, 2013 and December 31, 2012, these contracts had a notional value of \$155.4 million and \$132.3 million, respectively.

4. FAIR VALUE MEASUREMENTS

At March 31, 2013 and December 31, 2012, the Company had derivative assets totaling \$0.4 million, respectively, and derivative liabilities totaling \$8.9 million, respectively. The fair values of the interest rate swap agreement, foreign currency forward contracts designated as cash flow hedges and foreign currency forward contracts that economically hedge short-term intercompany balances are estimated based upon inputs from current valuation information obtained from dealer quotes and priced with observable market assumptions and appropriate valuation adjustments for credit risk. The Company has evaluated the valuation methodologies used to develop the fair values by dealers in order to determine whether such valuations are representative of an exit price in the Company's principal market. In addition, the Company uses an internally developed model to perform testing on the valuations received from brokers. The Company has also considered both its own credit risk and counterparty credit risk in determining fair value and determined these adjustments were insignificant at March 31, 2013 and December 31, 2012.

At March 31, 2013 and December 31, 2012, the Company had \$9.3 million and \$13.6 million of cash equivalents, respectively, the fair value of which is determined through quoted and corroborated prices in active markets. The fair value of cash equivalents approximates cost.

The difference between the fair value and carrying value of the Company's long-term debt is not material and is classified in Level 2 and Level 3 of the fair value hierarchy. The fair value of the Company's debt is estimated based on either similar issues or other inputs derived from available market information, including interest rates, term of debt and creditworthiness.

Under U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement consists of observable and unobservable inputs that reflect the assumptions that a market participant would use in pricing an asset or liability.

A fair value hierarchy has been established that categorizes these inputs into three levels:

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities

Level 3: Unobservable inputs



Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

The following table presents for each of these hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis at March 31, 2013 and December 31, 2012:

|                                                                          | March 31, 2013 |            |                |            | December 31, 2012 |            |                 |            |
|--------------------------------------------------------------------------|----------------|------------|----------------|------------|-------------------|------------|-----------------|------------|
|                                                                          | Total          | Level 1    | Level 2        | Level 3    | Total             | Level 1    | Level 2         | Level 3    |
| <b>Assets:</b>                                                           |                |            |                |            |                   |            |                 |            |
| Cash equivalents                                                         | \$9,319        | \$—        | \$9,319        | \$—        | \$13,636          | \$—        | \$13,636        | \$—        |
| Foreign currency forward contracts designated as cash flow 100 hedge     | —              | —          | 100            | —          | —                 | —          | —               | —          |
| Foreign currency forward contracts not designated as hedging instruments | 301            | —          | 301            | —          | 448               | —          | 448             | —          |
| <b>Total</b>                                                             | <b>\$9,720</b> | <b>\$—</b> | <b>\$9,720</b> | <b>\$—</b> | <b>\$14,084</b>   | <b>\$—</b> | <b>\$14,084</b> | <b>\$—</b> |
| <b>Liabilities:</b>                                                      |                |            |                |            |                   |            |                 |            |
| Interest rate swap agreement                                             | \$7,477        | \$—        | \$7,477        | \$—        | \$8,172           | \$—        | \$8,172         | \$—        |
| Foreign currency forward contracts designated as cash flow 834 hedge     | —              | —          | 834            | —          | 421               | —          | 421             | —          |
| Foreign currency forward contracts not designated as hedging instruments | 568            | —          | 568            | —          | 280               | —          | 280             | —          |
| <b>Total</b>                                                             | <b>\$8,879</b> | <b>\$—</b> | <b>\$8,879</b> | <b>\$—</b> | <b>\$8,873</b>    | <b>\$—</b> | <b>\$8,873</b>  | <b>\$—</b> |

**5. INCOME TAXES**

The provision for taxes is based upon using the Company's projected annual effective tax rate of 24% for the three month period ended March 31, 2013.

**6. DEBT**

Debt consisted of the following at March 31, 2013:

|                                  | March 31, 2013   |                                    |                  |
|----------------------------------|------------------|------------------------------------|------------------|
|                                  | U.S. Dollar      | Other Principal Trading Currencies | Total            |
| 6.30% \$100 million senior notes | \$100,000        | \$—                                | \$100,000        |
| 3.67% \$50 million senior notes  | 50,000           | —                                  | 50,000           |
| Credit facility                  | 241,526          | 30,387                             | 271,913          |
| Other local arrangements         | —                | 17,959                             | 17,959           |
| <b>Total debt</b>                | <b>391,526</b>   | <b>48,346</b>                      | <b>439,872</b>   |
| Less: current portion            | —                | (17,959)                           | (17,959)         |
| <b>Total long-term debt</b>      | <b>\$391,526</b> | <b>\$30,387</b>                    | <b>\$421,913</b> |

As of March 31, 2013, the Company had \$603.1 million of availability remaining under the credit facility.



Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

**7. SHARE REPURCHASE PROGRAM AND TREASURY STOCK**

The Company has a \$2.25 billion share repurchase program, of which there is \$365.1 million remaining to repurchase common shares as of March 31, 2013. The share repurchases are expected to be funded from cash balances, borrowings and cash generated from operating activities. Repurchases will be made through open market transactions, and the amount and timing of purchases will depend on business and market conditions, the stock price, trading restrictions, the level of acquisition activity and other factors. The Company has purchased 20.5 million shares since the inception of the program through March 31, 2013.

During the three months ended March 31, 2013 and 2012, the Company spent \$72.3 million and \$63.7 million on the repurchase of 341,109 shares and 361,777 shares at an average price per share of \$211.94 and \$176.11, respectively. The Company reissued 117,014 shares and 220,078 shares held in treasury for the exercise of stock options and restricted stock units during the three months ended March 31, 2013 and 2012, respectively.

**8. ACCUMULATED OTHER COMPREHENSIVE INCOME**

The following table presents changes in accumulated other comprehensive income by component for the period ended March 31, 2013:

|                                                                                      | Currency<br>Translation<br>Adjustment,<br>Net of Tax | Net Unrealized<br>Gain (Loss) on<br>Cash Flow<br>Hedging<br>Arrangements,<br>Net of Tax | Pension and<br>Post-Retirement<br>Benefit Related<br>Items,<br>Net of Tax | Total       |
|--------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------|
| Balance at December 31, 2012                                                         | \$56,012                                             | \$(5,438)                                                                               | \$(148,035)                                                               | \$(97,461)  |
| Other comprehensive income (loss), net of tax:                                       |                                                      |                                                                                         |                                                                           |             |
| Unrealized gains (losses) cash flow hedging<br>arrangements                          | —                                                    | (653)                                                                                   | —                                                                         | (653)       |
| Foreign currency translation adjustment                                              | (23,246)                                             | (10)                                                                                    | 4,287                                                                     | (18,969)    |
| Amounts recognized from accumulated other<br>comprehensive income (loss), net of tax | —                                                    | 842                                                                                     | 1,665                                                                     | 2,507       |
| Net change in other comprehensive income (loss), net<br>of tax                       | (23,246)                                             | 179                                                                                     | 5,952                                                                     | (17,115)    |
| Balance at March 31, 2013                                                            | \$32,766                                             | \$(5,259)                                                                               | \$(142,083)                                                               | \$(114,576) |

Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

The following table presents amounts recognized from accumulated other comprehensive income for the period ended March 31, 2013:

|                                                                                               | March 31, 2013<br>Amount Recognized<br>From Accumulated<br>Other Comprehensive<br>Income (Loss) | Location of Amounts<br>Recognized in<br>Earnings |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Effective portion of (gains) losses on cash flow hedging arrangements:                        |                                                                                                 |                                                  |
| Interest rate swap agreements                                                                 | \$755                                                                                           | Interest expense                                 |
| Foreign currency forward contracts                                                            | 475                                                                                             | Cost of sales - products                         |
| Total before taxes                                                                            | 1,230                                                                                           |                                                  |
| Provision for taxes                                                                           | 388                                                                                             | Provision for taxes                              |
| Total, net of taxes                                                                           | \$842                                                                                           |                                                  |
| Recognition of defined benefit pension and post-retirement items:                             |                                                                                                 |                                                  |
| Recognition of actuarial (gains) losses, plan amendments and prior service cost, before taxes | \$2,572                                                                                         | (a)                                              |
| Provision for taxes                                                                           | 907                                                                                             | Provision for taxes                              |
| Total, net of taxes                                                                           | \$1,665                                                                                         |                                                  |

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and post-retirement cost. See Note 10 for additional details for the three months ended March 31, 2013.

Comprehensive income (loss), net of tax consisted of the following:

|                                               | March 31,<br>2013 | March 31,<br>2012 |
|-----------------------------------------------|-------------------|-------------------|
| Net earnings                                  | \$52,544          | \$52,327          |
| Other comprehensive income (loss), net of tax | (17,115)          | ) \$20,791        |
| Comprehensive income (loss), net of tax       | \$35,429          | \$73,118          |

**9. EARNINGS PER COMMON SHARE**

In accordance with the treasury stock method, the Company has included the following common equivalent shares in the calculation of diluted weighted average number of common shares outstanding for the three months ended March 31, relating to outstanding stock options and restricted stock units:

|                    | 2013    | 2012    |
|--------------------|---------|---------|
| Three months ended | 802,410 | 855,009 |

Outstanding options and restricted stock units to purchase or receive 141,621 and 152,059 shares of common stock for the three months ended March 31, 2013 and 2012, respectively, have been excluded from the calculation of diluted weighted average number of common and common equivalent shares as such options and restricted stock units would be anti-dilutive.

Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

**10. NET PERIODIC BENEFIT COST**

Net periodic pension cost for the Company's defined benefit pension plans and U.S. post-retirement medical plan includes the following components for the three months ended March 31:

|                                                | U.S. Pension Benefits |          | Non-U.S. Pension Benefits |          | Other U.S. Post-retirement Benefits |        |
|------------------------------------------------|-----------------------|----------|---------------------------|----------|-------------------------------------|--------|
|                                                | 2013                  | 2012     | 2013                      | 2012     | 2013                                | 2012   |
| Service cost, net                              | \$123                 | \$114    | \$4,369                   | \$3,638  | \$54                                | \$83   |
| Interest cost on projected benefit obligations | 1,439                 | 1,523    | 4,883                     | 5,605    | 101                                 | 135    |
| Expected return on plan assets                 | (1,788 )              | (1,741 ) | (8,692 )                  | (8,234 ) | —                                   | —      |
| Recognition of prior service cost              | —                     | —        | (994 )                    | (357 )   | 22                                  | —      |
| Recognition of actuarial losses/(gains)        | 1,945                 | 1,916    | 1,846                     | 613      | (247 )                              | (188 ) |
| Net periodic pension cost/(credit)             | \$1,719               | \$1,812  | \$1,412                   | \$1,265  | \$(70 )                             | \$30   |

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, the Company expects to make employer contributions of approximately \$3.1 million and \$22.5 million to its U.S. pension plan and non-U.S. pension plans and employer contributions of approximately \$1.0 million to its U.S. post-retirement medical plan during the year ended December 31, 2013. These estimates may change based upon several factors, including fluctuations in currency exchange rates, actual returns on plan assets and changes in legal requirements.

**11. RESTRUCTURING CHARGES**

During 2012, we initiated additional cost reduction measures in response to global economic conditions. For the three months ending March 31, 2013, we have incurred \$5.0 million of restructuring expenses which primarily comprise severance costs. Liabilities related to restructuring activities are included in accrued and other liabilities in the consolidated balance sheet.

A rollforward of the Company's accrual for restructuring activities for the three months ended March 31, 2013 is as follows:

|                              | Employee Related | Other  | Total    |
|------------------------------|------------------|--------|----------|
| Balance at December 31, 2012 | \$11,655         | \$290  | \$11,945 |
| Restructuring charges        | 4,705            | 297    | 5,002    |
| Cash payments                | (4,420 )         | (226 ) | (4,646 ) |
| Impact of foreign currency   | (352 )           | —      | (352 )   |
| Balance at March 31, 2013    | \$11,588         | \$361  | \$11,949 |

**12. OTHER CHARGES (INCOME), NET**

Other charges (income), net consists primarily of interest income, (gains) losses from foreign currency transactions and other items.

**13. SEGMENT REPORTING**

As disclosed in Note 18 to the Company's consolidated financial statements for the year ending December 31, 2012, the Company has determined there are five reportable segments: U.S. Operations, Swiss Operations, Western European Operations, Chinese Operations and Other.



Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

The Company evaluates segment performance based on Segment Profit (gross profit less research and development and selling, general and administrative expenses, before amortization, interest expense, restructuring charges, other charges (income), net and taxes).

The following tables show the operations of the Company's operating segments:

| For the three months ended     | Net Sales to<br>External<br>Customers | Net Sales to<br>Other<br>Segments | Total Net<br>Sales | Segment<br>Profit | Goodwill  |
|--------------------------------|---------------------------------------|-----------------------------------|--------------------|-------------------|-----------|
| March 31, 2013                 |                                       |                                   |                    |                   |           |
| U.S. Operations                | \$158,386                             | \$18,377                          | \$176,763          | \$24,643          | \$307,933 |
| Swiss Operations               | 30,697                                | 97,123                            | 127,820            | 35,403            | 22,694    |
| Western European Operations    | 146,168                               | 28,112                            | 174,280            | 18,298            | 100,483   |
| Chinese Operations             | 90,727                                | 30,402                            | 121,129            | 24,648            | 722       |
| Other (a)                      | 98,375                                | 1,420                             | 99,795             | 9,487             | 13,877    |
| Eliminations and Corporate (b) | —                                     | (175,434 )                        | (175,434 )         | (27,046 )         | —         |
| Total                          | \$524,353                             | \$—                               | \$524,353          | \$85,433          | \$445,709 |

| For the three months ended     | Net Sales to<br>External<br>Customers | Net Sales to<br>Other<br>Segments | Total Net<br>Sales | Segment<br>Profit | Goodwill  |
|--------------------------------|---------------------------------------|-----------------------------------|--------------------|-------------------|-----------|
| March 31, 2012                 |                                       |                                   |                    |                   |           |
| U.S. Operations                | \$157,298                             | \$18,111                          | \$175,409          | \$23,957          | \$307,570 |
| Swiss Operations               | 31,605                                | 97,519                            | 129,124            | 29,142            | 23,853    |
| Western European Operations    | 153,005                               | 23,847                            | 176,852            | 18,265            | 104,921   |
| Chinese Operations             | 91,294                                | 29,813                            | 121,107            | 25,318            | 715       |
| Other (a)                      | 102,198                               | 1,649                             | 103,847            | 10,324            | 14,619    |
| Eliminations and Corporate (b) | —                                     | (170,939 )                        | (170,939 )         | (26,212 )         | —         |
| Total                          | \$535,400                             | \$—                               | \$535,400          | \$80,794          | \$451,678 |

(a) Other includes reporting units in Eastern Europe, Latin America, Southeast Asia and other countries.

(b) Eliminations and Corporate includes the elimination of inter-segment transactions and certain corporate expenses and intercompany investments, which are not included in the Company's operating segments.

A reconciliation of earnings before taxes to segment profit for the three months ended March 31 follows:

|                             | Three Months Ended |                |
|-----------------------------|--------------------|----------------|
|                             | March 31, 2013     | March 31, 2012 |
| Earnings before taxes       | \$69,136           | \$69,308       |
| Amortization                | 5,122              | 5,199          |
| Interest expense            | 5,400              | 5,823          |
| Restructuring charges       | 5,002              | 308            |
| Other charges (income), net | 773                | 156            |
| Segment profit              | \$85,433           | \$80,794       |





Table of Contents

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At March 31, 2013 – Unaudited (Continued)

(In thousands, except share data, unless otherwise stated)

During the three months ended March 31, 2013, restructuring charges of \$5.0 million were recognized, of which \$0.4 million, \$2.9 million, \$0.8 million, \$0.7 million and \$0.2 million related to the Company's U.S., Swiss, Western European, China, and Other operations, respectively. Restructuring charges of \$0.3 million were recognized during the three months ended March 31, 2012, of which \$0.2 million and \$0.1 million related to the Company's U.S. and Western Europe operations, respectively.

14. CONTINGENCIES

The Company is party to various legal proceedings, including certain environmental matters, incidental to the normal course of business. Management does not expect that any of such proceedings, either individually or in the aggregate, will have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Table of Contents

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Unaudited Interim Consolidated Financial Statements included herein.

**General**

Our interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Operating results for the three months ended March 31, 2013 are not necessarily indicative of the results to be expected for the full year ending December 31, 2013.

Local currency changes exclude the effect of currency exchange rate fluctuations. Local currency amounts are determined by translating current and previous year consolidated financial information at an index utilizing historical currency exchange rates. We believe local currency information provides a helpful assessment of business performance and a useful measure of results between periods. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. We present non-GAAP financial measures in reporting our financial results to provide investors with an additional analytical tool to evaluate our operating results.

**Results of Operations – Consolidated**

The following tables set forth certain items from our interim consolidated statements of operations and comprehensive income for the three month periods ended March 31, 2013 and 2012 (amounts in thousands).

|                                     | Three months ended March 31, |       | 2012        |       |
|-------------------------------------|------------------------------|-------|-------------|-------|
|                                     | 2013<br>(unaudited)          | %     | (unaudited) | %     |
| Net sales                           | \$524,353                    | 100.0 | \$535,400   | 100.0 |
| Cost of sales                       | 245,100                      | 46.7  | 258,298     | 48.2  |
| Gross profit                        | 279,253                      | 53.3  | 277,102     | 51.8  |
| Research and development            | 27,700                       | 5.3   | 28,667      | 5.4   |
| Selling, general and administrative | 166,120                      | 31.7  | 167,641     | 31.3  |
| Amortization                        | 5,122                        | 1.0   | 5,199       | 1.0   |
| Interest expense                    | 5,400                        | 1.0   | 5,823       | 1.1   |
| Restructuring charges               | 5,002                        | 1.0   | 308         | 0.1   |
| Other charges (income), net         | 773                          | 0.1   | 156         | —     |
| Earnings before taxes               | 69,136                       | 13.2  | 69,308      | 12.9  |
| Provision for taxes                 | 16,592                       | 3.2   | 16,981      | 3.2   |
| Net earnings                        | \$52,544                     | 10.0  | \$52,327    | 9.8   |

**Net sales**

Net sales were \$524.4 million for the three months ended March 31, 2013, compared to \$535.4 million for the corresponding period in 2012. This represents a decrease in U.S. dollars of 2%. Excluding the effect of currency exchange rate fluctuations, or in local currencies, net sales also decreased 2% for the three months ended March 31, 2013. We expect local currency sales growth to continue to be adversely impacted by global economic conditions. Net sales by geographic destination for the three months ended March 31, 2013, in U.S. dollars increased 2% in the Americas and decreased 5% in Europe and 3% in Asia/Rest of World. In local currencies, our net sales by geographic destination increased 1% in the Americas and decreased

Table of Contents

5% in Europe and 2% in Asia/Rest of World. A discussion of sales by operating segment is included below.

As described in Note 18 to our consolidated financial statements for the year ended December 31, 2012, our net sales comprise product sales of precision instruments and related services. Service revenues are primarily derived from repair and other services, including regulatory compliance qualification, calibration, certification, preventative maintenance and spare parts.

Net sales of products decreased 4% in both U.S. dollars and local currency for the three months ended March 31, 2013 compared to the corresponding prior period. Service revenue (including spare parts) increased 6% in both U.S. dollars and local currency during the three months ended March 31, 2013 compared to the corresponding period in 2012.

Net sales of our laboratory-related products, which represented approximately 46% of our total net sales for the three months ended March 31, 2013, decreased 3% in U.S. dollars and 2% in local currencies during the three months ended March 31, 2013, and included modest sales volume declines in most product categories and geographies primarily due to difficult economic conditions, offset in part by favorable price realization.

Net sales of our industrial-related products, which represented approximately 46% of our total net sales for the three months ended March 31, 2013, were flat in both U.S. dollars and in local currencies during the three months ended March 31, 2013. We experienced strong sales growth in our product inspection products, particularly in the Americas, related to higher sales volumes and favorable price realization during the three months ended March 31, 2013. These results were offset by a sales volume decline in core-industrial products in most geographies primarily due to difficult economic conditions.

Net sales in our food retailing markets, which represented approximately 8% of our total net sales for the three months ended March 31, 2013, decreased 9% in both U.S. dollars and in local currencies during the three months ended March 31, 2013, and includes sales volume declines in Western Europe and the Americas. The sales volume decline is primarily related to reduced economic growth in Europe, as well as the timing of project activity.

Gross profit

Gross profit as a percentage of net sales was 53.3% for the three months ended March 31, 2013 compared to 51.8% for the corresponding period in 2012.

Gross profit as a percentage of net sales for products was 57.1% for the three months ended March 31, 2013 compared to 55.1% for the corresponding period in 2012.

Gross profit as a percentage of net sales for services (including spare parts) was 40.6% for the three months ended March 31, 2013 compared to 39.0% for the corresponding period in 2012.

The increase in gross profit as a percentage of net sales for the three months ended March 31, 2013, primarily reflects increased price realization, reduced material costs and favorable business mix. These results were partly offset by decreased sales volume.

Research and development and selling, general and administrative expenses

Research and development expenses as a percentage of net sales were 5.3% for the three months ended March 31, 2013 compared to 5.4% for the corresponding period during 2012. Research and development expenses decreased 3% in both U.S. dollars and in local currencies, during the three months ended March 31, 2013 compared to the corresponding period in 2012 relating to the timing of research and development project and product launch activity, as well as benefits from our increased activities in low-cost countries.

Table of Contents

Selling, general and administrative expenses as a percentage of net sales were 31.7% for the three months ended March 31, 2013 compared to 31.3% in the corresponding period during 2012. Selling, general and administrative expenses decreased 1% in both U.S. dollars and local currencies, during the three months ended March 31, 2013 compared to the corresponding period in 2012. The decrease is primarily due to benefits from our cost reduction activities, offset in part by increased cash incentive expense.

Interest expense, other charges (income), net and taxes

Interest expense was \$5.4 million for the three months ended March 31, 2013 and \$5.8 million for the corresponding period in 2012. The decrease in interest expense for the three month period ended March 31, 2013 is primarily a result of a decrease in average borrowings.

Other charges (income), net consists primarily of interest income, (gains) losses from foreign currency transactions and other items.

The provision for taxes is based upon using our projected annual effective tax rate of 24% for the for the three months period ended March 31, 2013, as compared to 24.5% for the three months ended March 31, 2012. Our consolidated income tax rate is lower than the U.S. statutory rate primarily because of benefits from lower-taxed non-U.S. operations. The most significant of these lower-taxed operations are in Switzerland and China.

## Results of Operations – by Operating Segment

The following is a discussion of the financial results of our operating segments. We currently have five reportable segments: U.S. Operations, Swiss Operations, Western European Operations, Chinese Operations and Other. A more detailed description of these segments is outlined in Note 18 to our consolidated financial statements for the year ended December 31, 2012.

U.S. Operations (amounts in thousands)

|                                 | Three months ended March 31, |           |   |   |
|---------------------------------|------------------------------|-----------|---|---|
|                                 | 2013                         | 2012      | % |   |
| Total net sales                 | \$176,763                    | \$175,409 | 1 | % |
| Net sales to external customers | \$158,386                    | \$157,298 | 1 | % |
| Segment profit                  | \$24,643                     | \$23,957  | 3 | % |

Total net sales and net sales to external customers both increased 1% for the three months ended March 31, 2013 compared with the corresponding period in 2012. The increase in total net sales and net sales to external customers for the three months ended March 31, 2013, primarily reflects strong growth in product inspection products due to increased sales volume and favorable price realization, offset in part by declines in food retailing, core-industrial and certain laboratory-related product categories.

Segment profit increased \$0.7 million for the three months ended March 31, 2013 compared to the corresponding period in 2012. The increase in segment profit was primarily due to favorable price realization, partially offset by increased cash incentive expense and investments in our field service organization.

Table of Contents

## Swiss Operations (amounts in thousands)

|                                 | Three months ended March 31, |           |                 |  |    |
|---------------------------------|------------------------------|-----------|-----------------|--|----|
|                                 | 2013                         | 2012      | % <sup>1)</sup> |  |    |
| Total net sales                 | \$127,820                    | \$129,124 | (1)             |  | )% |
| Net sales to external customers | \$30,697                     | \$31,605  | (3)             |  | )% |
| Segment profit                  | \$35,403                     | \$29,142  | 21              |  | %  |

1)Represents U.S. dollar (decline) growth for net sales and segment profit.

Total net sales decreased 1% in U.S. dollars and were flat in local currency for the three months ended March 31, 2013 compared to the corresponding period in 2012. Net sales to external customers decreased 3% in U.S. dollars and decreased 2% in local currency during the three months ended March 31, 2013 compared to the corresponding period in 2012. The decrease in local currency net sales to external customers for the three month period ended March 31, 2013 primarily related to a volume decline in analytical instruments which is partly related to significant growth in the prior year comparison.

Segment profit increased \$6.3 million for the three month period ended March 31, 2013 compared to the corresponding period in 2012. Segment profit includes favorable inter-segment price realization and royalty income, increased productivity, reduced material costs and benefits from our cost reduction initiatives, partially offset by increased cash incentive expense.

## Western European Operations (amounts in thousands)

|                                 | Three months ended March 31, |           |                 |  |    |
|---------------------------------|------------------------------|-----------|-----------------|--|----|
|                                 | 2013                         | 2012      | % <sup>1)</sup> |  |    |
| Total net sales                 | \$174,280                    | \$176,852 | (1)             |  | )% |
| Net sales to external customers | \$146,168                    | \$153,005 | (4)             |  | )% |
| Segment profit                  | \$18,298                     | \$18,265  | —               |  | %  |

1)Represents U.S. dollar (decline) growth for net sales and segment profit.

Total net sales decreased 1% in U.S. dollars and decreased 2% in local currency during the three month period ended March 31, 2013 compared to the corresponding period in 2012. Net sales to external customers decreased 4% in U.S. dollars and decreased 5% in local currency for the same period versus the prior year comparable period. Total net sales and net sales to external customers for the three months ended March 31, 2013 primarily reflects sales volume declines in food retailing and core-industrial products. The net sales decline to external customers for the three months ended March 31, 2013 reflected weak economic growth in the region.

Segment profit was flat for the three month period ended March 31, 2013 compared to the corresponding period in 2012. Favorable price realization, reduced expenses from our cost reduction activities and favorable business mix were offset by the sales volume decline.

## Chinese Operations (amounts in thousands)

|                                 | Three months ended March 31, |           |                 |  |    |
|---------------------------------|------------------------------|-----------|-----------------|--|----|
|                                 | 2013                         | 2012      | % <sup>1)</sup> |  |    |
| Total net sales                 | \$121,129                    | \$121,107 | —               |  | %  |
| Net sales to external customers | \$90,727                     | \$91,294  | (1)             |  | )% |
| Segment profit                  | \$24,648                     | \$25,318  | (3)             |  | )% |

1)Represents U.S. dollar (decline) growth for net sales and segment profit.



Table of Contents

Total net sales were flat in U.S. dollars and in local currency during the three months ended March 31, 2013 compared to the corresponding period in 2012. Net sales to external customers decreased 1% in U.S. dollars and in local currency during the three months ended March 31, 2013 as compared to the corresponding period in 2012. The local currency decline in net sales to external customers for the three month period ended March 31, 2013 is primarily due to decreased sales volume in core-industrial project activity, as well as reduced volume in certain laboratory-related product categories.

Segment profit decreased \$0.7 million for the three month period ended March 31, 2013 compared to the corresponding period in 2012. The decrease in segment profit for the three month period ended March 31, 2013 includes inter-segment royalty expenses and investments in sales and marketing, offset in part by reduced material costs, favorable price realization and improved business mix.

Other (amounts in thousands)

|                                 | Three months ended March 31, |           |                 |    |
|---------------------------------|------------------------------|-----------|-----------------|----|
|                                 | 2013                         | 2012      | % <sup>1)</sup> |    |
| Total net sales                 | \$99,795                     | \$103,847 | (4              | )% |
| Net sales to external customers | \$98,375                     | \$102,198 | (4              | )% |
| Segment profit                  | \$9,487                      | \$10,324  | (8              | )% |

1) Represents U.S. dollar (decline) growth for net sales and segment profit.

Total net sales decreased 4% in US dollars and decreased 2% in local currency during the three month period ended March 31, 2013 compared to the corresponding period in 2012. Net sales to external customers in U.S. dollars decreased 4% and decreased 2% in local currency during the three months ended March 31, 2013 as compared to the corresponding period in 2012. The decrease in total net sales and net sales to external customers primarily reflects decreased sales volume across most product categories, particularly in Japan.

Segment profit decreased \$0.8 million for the three months ended March 31, 2013 compared to the corresponding period in 2012. The decrease in segment profit is primarily due to the decreased sales volume.

#### Liquidity and Capital Resources

Liquidity is our ability to generate sufficient cash flows from operating activities to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate financing. Currently, our financing requirements are primarily driven by working capital requirements, capital expenditures, share repurchases and acquisitions.

Cash provided by operating activities totaled \$23.7 million during the three months ended March 31, 2013, compared to \$20.8 million in the corresponding period in 2012. The increase in 2013 is primarily due to decreased cash incentive payments of approximately \$25 million as compared to the three months ended March 31, 2012, offset in part by timing in Chinese account receivables, a reduction in inventory levels during the three months ended March 31, 2012 and the timing of higher tax payments of \$11 million.

Capital expenditures are made primarily for investments in information systems and technology, machinery, equipment and the purchase and expansion of facilities. Our capital expenditures totaled \$19.0 million for the three months ended March 31, 2013 compared to \$18.5 million in the corresponding period in 2012. Our capital expenditures during the three months ended March 31, 2013 included approximately \$10.5 million of investments related to our Blue Ocean multi-year program of information technology investment, as compared with \$11.4 million during the prior year comparable period.

Table of Contents

We plan to repatriate earnings from China, Switzerland, Germany, the United Kingdom and certain other countries in future years and expect the only additional cost associated with the repatriation of such earnings outside the United States will be withholding taxes. All other undistributed earnings are considered to be permanently reinvested. As of March 31, 2013, we have an immaterial amount of cash and cash equivalents outside the United States where undistributed earnings are considered permanently reinvested. Accordingly, we believe the tax impact associated with repatriating our undistributed foreign earnings will not have a material effect on our liquidity.

## Senior Notes and Credit Facility Agreement

Our debt consisted of the following at March 31, 2013:

|                                  | March 31, 2013 |                                          |            |
|----------------------------------|----------------|------------------------------------------|------------|
|                                  | U.S. Dollar    | Other Principal<br>Trading<br>Currencies | Total      |
| 6.30% \$100 million senior notes | \$ 100,000     | \$—                                      | \$ 100,000 |
| 3.67% \$50 million senior notes  | 50,000         | —                                        | 50,000     |
| Credit facility                  | 241,526        | 30,387                                   | 271,913    |
| Other local arrangements         | —              | 17,959                                   | 17,959     |
| Total debt                       | 391,526        | 48,346                                   | 439,872    |
| Less: current portion            | —              | (17,959)                                 | (17,959)   |
| Total long-term debt             | \$391,526      | \$30,387                                 | \$421,913  |

As of March 31, 2013, approximately \$603.1 million was available under our credit facility. Changes in exchange rates between the currencies in which we generate cash flows and the currencies in which our borrowings are denominated affect our liquidity. In addition, because we borrow in a variety of currencies, our debt balances fluctuate due to changes in exchange rates.

We currently believe that cash flow from operating activities, together with liquidity available under our credit facility and local working capital facilities, will be sufficient to fund currently anticipated working capital needs and capital spending requirements for at least the foreseeable future.

We continue to explore potential acquisitions. In connection with any acquisition, we may incur additional indebtedness.

## Share Repurchase Program

We have a \$2.25 billion share repurchase program, of which there is \$365.1 million remaining to repurchase common shares as of March 31, 2013. The share repurchases are expected to be funded from cash balances, borrowings and cash generated from operating activities. Repurchases will be made through open market transactions, and the amount and timing of purchases will depend on business and market conditions, the stock price, trading restrictions, the level of acquisition activity and other factors. We have purchased 20.5 million shares since the inception of the program through March 31, 2013.

During the three months ended March 31, 2013 and 2012, we spent \$72.3 million and \$63.7 million on the repurchase of 341,109 shares and 361,777 shares at an average price per share of \$211.94 and \$176.11, respectively. We reissued 117,014 shares and 220,078 shares held in treasury for the exercise of stock options and restricted stock units during the three months ended March 31, 2013 and 2012, respectively.



Table of Contents

## Effect of Currency on Results of Operations

Because we conduct operations in many countries, our operating income can be significantly affected by fluctuations in currency exchange rates. Swiss franc-denominated expenses represent a much greater percentage of our total operating expenses than Swiss franc-denominated sales represent of our total net sales. In part, this is because most of our manufacturing and product development costs in Switzerland relate to products that are sold outside Switzerland. In addition, we have a number of corporate functions located in Switzerland. Therefore, if the Swiss franc strengthens against all or most of our major trading currencies (e.g., the U.S. dollar, the euro, other major European currencies, the Chinese yuan and the Japanese yen), our operating profit is reduced. We also have significantly more sales in euro than we have expenses. Therefore, when the euro weakens against the U.S. dollar and the Swiss franc, it also decreases our operating profits. Accordingly, the Swiss franc exchange rate to the euro is an important cross-rate that we monitor. During the third quarter of 2011, the Swiss National Bank established a floor of 1.20 relating to the Swiss franc exchange rate to the euro. The duration for which the Swiss National Bank will maintain this exchange rate floor of 1.20 is currently unknown. Beginning in the third quarter of 2012, we entered into foreign currency forward contracts, as described in Note 3 of our consolidated financial statements, which reduce our exposure to a strengthening of the Swiss franc versus the euro. These forward contracts currently continue until March 2014. We estimate, absent these forward contracts, that a 1% strengthening of the Swiss franc against the euro would result in a decrease in our earnings before tax of approximately \$0.8 million to \$1.2 million on an annual basis. The previously described foreign currency forward contracts reduce this exposure by approximately 75%. We also estimate a 1% strengthening of the Swiss franc against the U.S. dollar would result in a decrease in our earnings before tax of \$0.7 million to \$0.9 million on an annual basis. In addition to the Swiss franc and major European currencies, we also conduct business in many geographies throughout the world, including Asia Pacific, the United Kingdom, Eastern Europe, Latin America and Canada. Fluctuations in these currency exchange rates against the U.S. dollar can also affect our operating results. In addition to the effects of exchange rate movements on operating profits, our debt levels can fluctuate due to changes in exchange rates, particularly between the U.S. dollar and the Swiss franc. Based on our outstanding debt at March 31, 2013, we estimate that a 10% weakening of the U.S. dollar against the currencies in which our debt is denominated would result in an increase of approximately \$5.4 million in the reported U.S. dollar value of the debt.

## Recent Accounting Pronouncements

In January 2013, the Company adopted ASU 2013-02, to ASC 220 "Comprehensive Income." The adoption of the guidance requires the Company to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, the Company is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified from each component of accumulated other comprehensive income and the income statement line items affected by the reclassification. The adoption of the recently issued guidance did not impact the Company's consolidated results of operations or financial position.

In January 2013, the Company adopted ASU 2013-01, to ASC 210, "Balance Sheet." ASU 2013-01 limits the scope of balance sheet offsetting disclosures in ASU 2011-11 to derivatives, repurchase agreements, and securities lending transactions to the extent that they are offset in the financial statements or subject to an enforceable master netting arrangement or similar agreement. The adoption of the recently issued guidance did not impact the Company's consolidated results of operations or financial position.

In January 2013, the Company adopted ASU 2011-11, to ASC 210, "Balance Sheet." The adoption requires the Company to disclose information about offsetting arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The adoption of the recently issued guidance did not impact the Company's consolidated results of operations or financial position.

Table of Contents

Forward-Looking Statements Disclaimer

Some of the statements in this quarterly report and in documents incorporated by reference constitute “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These statements relate to future events or our future financial performance, including, but not limited to, the following: projected earnings and sales growth in U.S. dollars and local currencies, projected earnings per share, strategic plans and contingency plans, potential growth opportunities or economic downturns in both developed markets and emerging markets, including China, factors influencing growth in our laboratory, industrial and food retail markets, our expectations in respect of the impact of general economic conditions on our business, our projections for growth in certain markets or industries, our capability to respond to future changes in market conditions, impact of inflation, currency and interest rate fluctuations, our ability to maintain a leading position in our key markets, our expected market share, our ability to leverage our market-leading position and diverse product offering to weather an economic downturn, the effectiveness of our “Spinnaker” initiatives relating to sales and marketing, planned research and development efforts, product introductions and innovation, manufacturing capacity, adequacy of facilities, access to and the costs of raw materials, shipping and supplier costs, expanding our operating margins, anticipated gross margins, anticipated customer spending patterns and levels, expected customer demand, meeting customer expectations, warranty claim levels, anticipated growth in service revenues, anticipated pricing, our ability to realize planned price increases, planned operational changes and productivity improvements, effect of changes in internal control over financial reporting, research and development expenditures, competitors’ product development, levels of competitive pressure, our future position vis-à-vis competitors, expected capital expenditures, the timing, impact, cost, benefits from and effectiveness of our cost reduction programs, future cash sources and requirements, cash flow targets, liquidity, value of inventories, impact of long-term incentive plans, continuation of our stock repurchase program and the related impact on cash flow, expected pension and other benefit contributions and payments, expected tax treatment and assessment, impact of taxes and changes in tax benefits, the need to take additional restructuring charges, expected compliance with laws, changes in laws and regulations, impact of environmental costs, expected trading volume and value of stocks and options, impact of issuance of preferred stock, expected cost savings, impact of legal proceedings, satisfaction of contractual obligations by counterparties, timeliness of payments by our customers, the adequacy of reserves for bad debts against our accounts receivable, benefits and other effects of completed or future acquisitions.

These statements involve known and unknown risks, uncertainties and other factors that may cause our or our businesses’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “potential” or “continue” or the negative of those terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors. Moreover, we do not, nor does any other person, assume responsibility for the accuracy and completeness of those statements. Unless otherwise required by applicable laws, we disclaim any intention or obligation to publicly update or revise any of the forward-looking statements after the date of this quarterly report to conform them to actual results, whether as a result of new information, future events or otherwise. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under the captions “Factors affecting our future operating results” in the “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part I, Item 1A of our annual report on Form 10-K for the fiscal year ended December 31, 2012, which describe risks and factors that could cause results to differ materially from those projected in those forward-looking statements.

We caution the reader that the above list of risks and factors that may affect results addressed in the forward-looking statements may not be exhaustive. Other sections of this quarterly report on Form 10-Q for the period ended March 31, 2013 and other documents incorporated by reference may describe additional risks or factors that could adversely impact our business and financial performance. We



Table of Contents

operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict these new risk factors, nor can it assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of March 31, 2013, there was no material change in the information provided under Item 7A in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting during the quarter ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

## PART II. OTHER INFORMATION

Item 1. Legal Proceedings. None

Item 1A. Risk Factors.

For the three months ended March 31, 2013 there were no material changes from risk factors disclosed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

|                                 | (a)                                 | (b)                                | (c)                                                                             | (d)                                                                                                       |
|---------------------------------|-------------------------------------|------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
|                                 | Total Number of<br>Shares Purchased | Average Price<br>Paid<br>per Share | Total Number of<br>Shares Purchased as<br>Part of Publicly<br>Announced Program | Approximate Dollar<br>Value (in thousands<br>of Shares that may<br>yet be Purchased<br>under the Program) |
| January 1 to January 31, 2013   | 107,890                             | \$203.83                           | 107,890                                                                         | \$415,358                                                                                                 |
| February 1 to February 28, 2013 | 104,851                             | \$215.51                           | 104,851                                                                         | \$392,760                                                                                                 |
| March 1 to March 31, 2013       | 128,368                             | \$215.83                           | 128,368                                                                         | \$365,052                                                                                                 |
| Total                           | 341,109                             | \$211.94                           | 341,109                                                                         | \$365,052                                                                                                 |

We have a share repurchase program, of which there is \$365.1 million remaining to repurchase common shares as of March 31, 2013. We have purchased 20.5 million shares since the inception of the program through March 31, 2013. During the three months ended March 31, 2013 and 2012, we spent \$72.3 million and \$63.7 million on the repurchase of 341,109 and 361,777 shares at an average price per share of \$211.94 and \$176.11, respectively. We reissued 117,014 shares and 220,078 shares held in treasury for the exercise of stock options and restricted stock units for the three months ended March 31, 2013 and 2012, respectively.

Item 3. Defaults Upon Senior Securities. None

Item 5. Other information. None

Item 6. Exhibits. See Exhibit Index below.

Table of Contents

SIGNATURE

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

Date: May 3, 2013

Mettler-Toledo International Inc.

By: /s/ William P. Donnelly

William P. Donnelly  
Group Vice President and  
Chief Financial Officer

- 29 -

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Table of Contents

EXHIBIT INDEX

| Exhibit No. | Description                                                                                              |
|-------------|----------------------------------------------------------------------------------------------------------|
| 31.1*       | Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes — Oxley Act of 2002 |
| 31.2*       | Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes — Oxley Act of 2002 |
| 32*         | Certification Pursuant to Section 906 of the Sarbanes — Oxley Act of 2002                                |
| 101.INS*    | XBRL Instance Document                                                                                   |
| 101.SCH*    | XBRL Taxonomy Extension Schema Document                                                                  |
| 101.CAL*    | XBRL Taxonomy Extension Calculation Linkbase Document                                                    |
| 101.LAB*    | XBRL Taxonomy Extension Label Linkbase Document                                                          |
| 101.PRE*    | XBRL Taxonomy Extension Presentation Linkbase Document                                                   |
| 101.DEF*    | XBRL Taxonomy Extension Definition Linkbase Document                                                     |

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\* Filed herewith