

METTLER TOLEDO INTERNATIONAL INC/
Form 10-Q
November 07, 2014
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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 SEPTEMBER 30, 2014, 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.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) 1900 Polaris Parkway Columbus, Ohio 43240 and Im Langacher, P.O. Box MT-100 CH 8606 Greifensee, Switzerland	13-3668641 (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

(Registrant's telephone number, including area code)

not applicable

(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

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post such files). Yes No

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 28,547,411 shares of Common Stock outstanding at September 30, 2014.

METTLER-TOLEDO INTERNATIONAL INC.
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

METTLER-TOLEDO INTERNATIONAL INC.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Three months ended September 30, 2014 and 2013

(In thousands, except share data)

(unaudited)

	September 30, 2014	September 30, 2013
Net sales		
Products	\$488,829	\$462,532
Service	140,271	129,155
Total net sales	629,100	591,687
Cost of sales		
Products	206,227	197,593
Service	79,322	75,521
Gross profit	343,551	318,573
Research and development	30,352	29,046
Selling, general and administrative	186,499	173,446
Amortization	7,198	6,675
Interest expense	5,991	5,557
Restructuring charges	1,050	5,532
Other charges (income), net	625	521
Earnings before taxes	111,836	97,796
Provision for taxes	26,840	23,470
Net earnings	\$84,996	\$74,326
Basic earnings per common share:		
Net earnings	\$2.96	\$2.49
Weighted average number of common shares	28,732,152	29,818,218
Diluted earnings per common share:		
Net earnings	\$2.89	\$2.43
Weighted average number of common and common equivalent shares	29,408,614	30,579,954
Comprehensive income, net of tax (Note 8)	\$44,540	\$102,532

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

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METTLER-TOLEDO INTERNATIONAL INC.
 INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
 Nine months ended September 30, 2014 and 2013
 (In thousands, except share data)
 (unaudited)

	September 30, 2014	September 30, 2013
Net sales		
Products	\$1,379,655	\$1,314,998
Service	408,900	379,722
Total net sales	1,788,555	1,694,720
Cost of sales		
Products	586,883	564,021
Service	237,304	224,125
Gross profit	964,368	906,574
Research and development	91,974	85,749
Selling, general and administrative	541,793	512,905
Amortization	21,575	17,604
Interest expense	17,613	16,500
Restructuring charges	4,447	13,730
Other charges (income), net	1,348	2,281
Earnings before taxes	285,618	257,805
Provision for taxes	68,549	61,873
Net earnings	\$217,069	\$195,932
Basic earnings per common share:		
Net earnings	\$7.47	\$6.52
Weighted average number of common shares	29,056,663	30,063,021
Diluted earnings per common share:		
Net earnings	\$7.30	\$6.35
Weighted average number of common and common equivalent shares	29,747,321	30,836,160
Comprehensive income, net of tax (Note 8)	\$176,076	\$212,858

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

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INTERIM CONSOLIDATED BALANCE SHEETS

As of September 30, 2014 and December 31, 2013

(In thousands, except share data)

(unaudited)

	September 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$126,311	\$111,874
Trade accounts receivable, less allowances of \$17,028 at September 30, 2014 and \$14,856 at December 31, 2013	410,900	466,703
Inventories	219,714	210,414
Current deferred tax assets, net	59,414	57,934
Other current assets and prepaid expenses	56,573	67,062
Total current assets	872,912	913,987
Property, plant and equipment, net	512,091	514,438
Goodwill	449,539	455,842
Other intangible assets, net	111,214	114,418
Non-current deferred tax assets, net	21,241	24,121
Other non-current assets	140,458	130,013
Total assets	\$2,107,455	\$2,152,819
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$129,172	\$145,993
Accrued and other liabilities	119,641	116,831
Accrued compensation and related items	123,337	123,493
Deferred revenue and customer prepayments	93,014	83,083
Taxes payable	49,602	61,502
Current deferred tax liabilities	16,093	16,219
Short-term borrowings and current maturities of long-term debt	120,025	17,067
Total current liabilities	650,884	564,188
Long-term debt	365,007	395,960
Non-current deferred tax liabilities	64,751	64,449
Other non-current liabilities	177,873	193,170
Total liabilities	1,258,515	1,217,767
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 28,547,411 and 29,487,075 shares at September 30, 2014 and December 31, 2013, respectively	448	448
Additional paid-in capital	673,493	653,250
Treasury stock at cost (16,238,600 shares at September 30, 2014 and 15,298,936 shares at December 31, 2013)	(1,991,994	) (1,721,030)
Retained earnings	2,243,022	2,037,420
Accumulated other comprehensive income (loss)	(76,029	) (35,036)
Total shareholders' equity	848,940	935,052

Total liabilities and shareholders' equity	\$2,107,455	\$2,152,819
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The accompanying notes are an integral part of these interim consolidated financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.

INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Nine months ended September 30, 2014 and twelve months ended December 31, 2013

(In thousands, except share data)

(unaudited)

	Common Stock		Additional	Treasury	Retained	Accumulated	
	Shares	Amount	Paid-in Capital	Stock	Earnings	Other Comprehensive Income (Loss)	Total
Balance at December 31, 2012	30,410,006	\$448	\$638,705	\$(1,463,924)	\$1,749,451	\$(97,461)	) \$827,219
Exercise of stock options and restricted stock units	398,646	—	—	37,870	(18,125)	—	) 19,745
Repurchases of common stock	(1,321,577)	—	—	(294,976)	—	—	) (294,976)
Tax benefit resulting from exercise of certain employee stock options	—	—	1,906	—	—	—	) 1,906
Share-based compensation	—	—	12,639	—	—	—	) 12,639
Net earnings	—	—	—	—	306,094	—	) 306,094
Other comprehensive income (loss), net of tax	—	—	—	—	—	62,425	) 62,425
Balance at December 31, 2013	29,487,075	\$448	\$653,250	\$(1,721,030)	\$2,037,420	\$(35,036)	) \$935,052
Exercise of stock options and restricted stock units	246,551	—	—	25,512	(11,467)	—	) 14,045
Repurchases of common stock	(1,186,215)	—	—	(296,476)	—	—	) (296,476)
Tax benefit resulting from exercise of certain employee stock options	—	—	10,459	—	—	—	) 10,459
Share-based compensation	—	—	9,784	—	—	—	) 9,784
Net earnings	—	—	—	—	217,069	—	) 217,069
Other comprehensive income (loss), net of tax (Note 8)	—	—	—	—	—	(40,993)	) (40,993)
Balance at September 30, 2014	28,547,411	\$448	\$673,493	\$(1,991,994)	\$2,243,022	\$(76,029)	) \$848,940

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

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METTLER-TOLEDO INTERNATIONAL INC.
 INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
 Nine months ended September 30, 2014 and 2013
 (In thousands)
 (unaudited)

	September 30, 2014	September 30, 2013	
Cash flows from operating activities:			
Net earnings	\$217,069	\$195,932	
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	25,469	26,024	
Amortization	21,575	17,604	
Deferred tax benefit	(6,102)	(7,807))
Excess tax benefits from share-based payment arrangements	(10,459)	(565))
Share-based compensation	9,784	8,988	
Other	99	407	
Increase (decrease) in cash resulting from changes in:			
Trade accounts receivable, net	43,313	33,841	
Inventories	(18,024)	(19,350))
Other current assets	9,714	(3,367))
Trade accounts payable	(13,180)	(23,814))
Taxes payable	(9,391)	5,961)
Accruals and other	8,371	3,561	
Net cash provided by operating activities	278,238	237,415	
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment	433	208	
Purchase of property, plant and equipment	(61,408)	(57,000))
Acquisitions	(3,385)	(213))
Net cash used in investing activities	(64,360)	(57,005))
Cash flows from financing activities:			
Proceeds from borrowings	512,977	382,105	
Repayments of borrowings	(438,529)	(369,012))
Proceeds from stock option exercises	14,045	15,990	
Repurchases of common stock	(296,476)	(217,413))
Excess tax benefits from share-based payment arrangements	10,459	565	
Debt issuance costs	(941)	(281))
Other financing activities	182	(1,569))
Net cash used in financing activities	(198,283)	(189,615))
Effect of exchange rate changes on cash and cash equivalents	(1,158)	(275))
Net increase (decrease) in cash and cash equivalents	14,437	(9,480))
Cash and cash equivalents:			
Beginning of period	111,874	101,702	
End of period	\$126,311	\$92,222	

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

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At September 30, 2014 – 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 September 30, 2014 and for the three and nine month periods ended September 30, 2014 and 2013 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, 2013.

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 and nine months ended September 30, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014.

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, 2013.

All intercompany transactions and balances have been eliminated.

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

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.

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At September 30, 2014 – 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:

	September 30, 2014	December 31, 2013
Raw materials and parts	\$99,949	\$98,244
Work-in-progress	41,120	38,061
Finished goods	78,645	74,109
	\$219,714	\$210,414

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 and indefinite-lived intangible assets are generally based on an assessment of qualitative and quantitative factors to determine whether it is more likely than not that the fair value of the asset is less than its carrying amount. 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 of benefit. 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 "Intangible - Goodwill and Other" and ASC 360 "Property, Plant and Equipment."

Other intangible assets consisted of the following:

	September 30, 2014			December 31, 2013		
	Gross Amount	Accumulated Amortization	Intangibles, Net	Gross Amount	Accumulated Amortization	Intangibles, Net
Customer relationships	\$99,229	\$(27,596)	\$71,633	\$98,374	\$(25,313)	\$73,061
Proven technology and patents	42,005	(30,492)	11,513	43,233	(29,763)	13,470
Tradename (finite life)	4,192	(1,759)	2,433	4,300	(1,619)	2,681
Tradename (indefinite life)	25,004	—	25,004	25,108	—	25,108
Other	1,582	(951)	631	757	(659)	98
	\$172,012	\$(60,798)	\$111,214	\$171,772	\$(57,354)	\$114,418

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At September 30, 2014 – Unaudited (Continued)

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

The Company recognized amortization expense associated with the above intangible assets of \$1.6 million and \$1.5 million for the three months ended September 30, 2014 and 2013, respectively and \$4.8 million and \$4.4 million for the nine months ended September 30, 2014 and 2013, respectively. The annual aggregate amortization expense based on the current balance of other intangible assets is estimated at \$6.3 million for 2014, \$5.8 million for 2015, \$5.4 million for 2016, \$5.0 million for 2017, \$4.8 million for 2018 and \$4.4 million for 2019. Purchased intangible amortization was \$1.5 million, \$1.0 million after tax, and \$1.3 million, \$0.9 million after tax, for the three months ended September 30, 2014 and 2013, respectively and \$4.2 million, \$2.8 million after tax, and \$4.0 million, \$2.7 million after tax, for the nine months ended September 30, 2014 and 2013, respectively.

In addition to the above amortization, the Company recorded amortization expense associated with capitalized software of \$5.5 million and \$5.2 million for the three months ended September 30, 2014 and 2013, respectively and \$16.7 million and \$13.1 million for the nine months ended September 30, 2014 and 2013, 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.

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

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At September 30, 2014 – Unaudited (Continued)

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

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 nine months ended September 30 are as follows:

	September 30, 2014	September 30, 2013
Balance at beginning of period	\$16,991	\$16,295
Accruals for warranties	14,737	14,246
Foreign currency translation	(409	) 20
Payments / utilizations	(15,278	) (14,354
Balance at end of period	\$16,041	\$16,207

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 statement of operations with a corresponding offset to additional paid-in capital in the consolidated balance sheet. The Company recorded \$3.3 million and \$9.8 million of share-based compensation expense for the three and nine months ended September 30, 2014, respectively, compared to \$3.1 million and \$9.0 million for the corresponding periods in 2013.

Research and Development

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

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 certain 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 Hedges

The Company has an interest rate swap agreement, designated as a cash flow hedge. The agreement changes the floating rate LIBOR-based interest payments associated with \$100 million in

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At September 30, 2014 – Unaudited (Continued)

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

borrowings under the Company's credit agreement to a fixed obligation of 3.24% beginning October 2010 ("Interest rate swaps - October 2010").

In June 2013, the Company entered into a forward starting interest rate swap agreement, designated as a cash flow hedge. The agreement which will change the floating rate LIBOR-based interest payments associated with \$50 million in forecasted borrowings under the Company's credit agreement to a fixed obligation of 2.52% beginning in October 2015 ("Interest rate swaps - October 2015").

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 businesses. The notional amount of foreign currency forward contracts outstanding at September 30, 2014 and December 31, 2013 was \$83.6 million and \$78.2 million, respectively.

Through September 30, 2014 no hedge ineffectiveness has occurred in relation to these cash flow hedges.

The fair value of the cash flow hedges as of September 30, 2014 and December 31, 2013 are recorded gross in the consolidated balance sheet as follows:

	Balance Sheet Location	Fair Value at	
		September 30, 2014	December 31, 2013
Derivative designated as cash flow hedging instruments:			
Interest rate swaps - October 2010	Non-current (liabilities)/assets	\$(3,218)	\$(5,312)
Interest rate swaps - October 2015	Non-current (liabilities)/assets	(314)	1,269)
Foreign currency forward contracts:	Other current assets	607	268
	Accrued and other liabilities	—	(103)

The effects of the derivative instruments designated as cash flow hedges on the consolidated statements of operations for the three months ended September 30, 2014 and 2013 are as follows:

		Before Tax		After Tax	
		2014	2013	2014	2013
Recognized in other comprehensive income (loss):					
Interest rate swaps - October 2010		\$—	\$(281)	\$—	\$(173)
Interest rate swaps - October 2015		—	(198)	—	(122)
Foreign currency forward contracts		493	(229)	392	(182)
	Location of Derivative Gain (Loss) in Earnings	Before Tax		After Tax	
		2014	2013	2014	2013
Effective portion of gain (loss) reclassified into earnings:					
Interest rate swaps - October 2010	Interest expense	\$(787)	\$(777)	\$(484)	\$(478)
Foreign currency forward contracts	Cost of sales	247	(486)	197	(386)

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At September 30, 2014 – Unaudited (Continued)

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

The effects of the derivative instruments designated as cash flow hedges on the consolidated statements of operations for the nine months ended September 30, 2014 and 2013 are as follows:

		Before Tax		After Tax	
		2014	2013	2014	2013
Recognized in other comprehensive income (loss):					
Interest rate swaps - October 2010		\$(239)	\$(123)	\$(147)	\$(76)
Interest rate swaps - October 2015		(1,582)	717	(973)	441
Foreign currency forward contracts		887	(1,579)	705	(1,255)
	Location of Derivative Gain (Loss) in Earnings	Before Tax	2013	After Tax	2013
Effective portion of gain (loss) reclassified into earnings:					
Interest rate swaps - October 2010	Interest expense	\$(2,333)	\$(2,299)	\$(1,435)	\$(1,414)
Foreign currency forward contracts	Cost of sales	453	(1,517)	360	(1,206)

A derivative loss of \$3.0 million, \$1.9 million after tax, based upon interest rates and a derivative gain of \$0.6 million, \$0.5 million after tax, based upon foreign currency rates at September 30, 2014, are expected to be reclassified from other comprehensive income (loss) to earnings in the next twelve months.

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. At September 30, 2014 and December 31, 2013, these contracts had a notional value of \$210.4 million and \$180.3 million, respectively.

The fair value of the foreign currency forward contracts as of September 30, 2014 and December 31, 2013 are as follows:

	Fair Value at	
	September	December
	30, 2014	31, 2013
Balance sheet location:		
Other current assets	\$690	\$719
Other current liabilities	(1,006)	(355)

The effects of the foreign currency forward contracts on the consolidated statements of operations for the three and nine months ended September 30, 2014 and 2013 are as follows:

	2014	2013
Gain (loss) recognized in other charges (income), net		
Three months ended	\$(2,048)	\$1,418
Nine months ended	(2,983)	727

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

4. FAIR VALUE MEASUREMENTS

At September 30, 2014 and December 31, 2013, the Company had derivative assets totaling \$1.3 million and \$2.3 million, respectively, and derivative liabilities totaling \$4.5 million and \$5.8 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 September 30, 2014 and December 31, 2013.

At September 30, 2014 and December 31, 2013, the Company had \$18.1 million and \$16.9 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

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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 September 30, 2014 and December 31, 2013:

	September 30, 2014				December 31, 2013			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Cash equivalents	\$18,118	\$—	\$18,118	\$—	\$16,868	\$—	\$16,868	\$—
Interest rate swap agreement	—	—	—	—	1,269	—	1,269	—
Foreign currency forwards contracts designed as cash flow hedges	607	—	607	—	268	—	268	—
Foreign currency forward contracts not designated as hedging instruments	690	—	690	—	719	—	719	—
Total	\$19,415	\$—	\$19,415	\$—	\$19,124	\$—	\$19,124	\$—
Liabilities:								
Interest rate swap agreement	\$3,532	\$—	\$3,532	\$—	\$5,312	\$—	\$5,312	\$—
Foreign currency forwards contracts designed as cash flow hedges	—	—	—	—	103	—	103	—
Foreign currency forward contracts not designated as hedging instruments	1,006	—	1,006	—	355	—	355	—
Total	\$4,538	\$—	\$4,538	\$—	\$5,770	\$—	\$5,770	\$—

5. INCOME TAXES

The provision for taxes for both the three and nine month periods ended September 30, 2014 is based upon the Company's projected annual effective rate of 24%.

6. DEBT

Debt consisted of the following at September 30, 2014:

	September 30, 2014		
	U.S. Dollar	Other Principal Trading Currencies	Total
6.30% \$100 million Senior Notes due June 25, 2015	\$100,000	\$—	\$100,000
3.67% \$50 million Senior Notes due December 17, 2022	50,000	—	50,000
4.10% \$50 million Senior Notes due September 19, 2023	50,000	—	50,000
3.84% \$125 million Senior Notes due September 19, 2024	125,000	—	125,000
Credit agreement	103,937	36,070	140,007
Other local arrangements	429	19,596	20,025
Total debt	429,366	55,666	485,032
Less: current portion	(100,429)	(19,596)	(120,025)
Total long-term debt	\$328,937	\$36,070	\$365,007

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As of September 30, 2014, the Company had \$655.6 million of availability remaining under its Credit Agreement. The Company was in compliance with its covenants at September 30, 2014.

In June 2014, the Company entered into an agreement to issue and sell \$250 million of ten-year Senior Notes in a private placement. The Company issued \$125 million with a fixed interest rate of 3.84% ("3.84% Senior Notes") in September 2014 and will issue an additional \$125 million with a fixed interest rate of 4.24% ("4.24% Senior Notes") in June 2015. The Senior Notes are senior unsecured obligations of the Company.

Issuance costs approximating \$0.9 million will be amortized to interest expense over the ten year term of the Senior Notes.

7. SHARE REPURCHASE PROGRAM AND TREASURY STOCK

The Company has a \$3 billion share repurchase program, of which there were \$595.9 million of remaining common shares authorized to be repurchased under the program at September 30, 2014. We expect that the authorization will be utilized over the next few years. 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 22.6 million shares since the inception of the program through September 30, 2014. During the nine months ended September 30, 2014 and 2013, the Company spent \$296.5 million and \$217.4 million on the repurchase of 1,186,215 shares and 1,004,398 shares at an average price per share of \$249.91 and \$216.44, respectively. The Company also reissued 246,551 shares and 280,691 shares held in treasury for the exercise of stock options and restricted stock units during the nine months ended September 30, 2014 and 2013, respectively.

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table presents changes in accumulated other comprehensive income by component for the nine months ended September 30, 2014 and 2013:

	Currency Translation Adjustment, Net of Tax	Net Unrealized Gain (Loss) on Cash Flow Hedging Arrangements, Net of Tax	Pension and Post-Retirement Benefit Related Items, Net of Tax	Total
Balance at December 31, 2013	\$77,915	\$(2,433)	\$(110,518)	\$(35,036)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on cash flow hedging arrangements	—	(445)	—	(445)
Foreign currency translation adjustment	(47,483)	30	4,644	(42,809)
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	1,075	1,186	2,261
Net change in other comprehensive income (loss), net of tax	(47,483)	660	5,830	(40,993)
Balance at September 30, 2014	\$30,432	\$(1,773)	\$(104,688)	\$(76,029)

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

	Currency Translation Adjustment, Net of Tax	Net Unrealized Gain (Loss) on Cash Flow Hedging Arrangements, Net of Tax	Pension and Post-Retirement Benefit Related Items, 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) on cash flow hedging arrangements	—	(924	) —	(924)
Foreign currency translation adjustment	9,911	34	(266	) 9,679
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	2,620	5,551	8,171
Net change in other comprehensive income (loss), net of tax	9,911	1,730	5,285	16,926
Balance at September 30, 2013	\$65,923	\$(3,708	) \$(142,750	) \$(80,535)

The following table presents amounts recognized from accumulated other comprehensive income (loss) for the three and nine month periods ended September 30:

	Three months ended September 30,		Location of Amounts Recognized in Earnings
	2014	2013	
Effective portion of losses on cash flow hedging arrangements:			
Interest rate swap agreements	\$787	\$777	Interest expense
Foreign currency forward contracts	(247	) 486	Cost of sales - products
Total before taxes	540	1,263	
Provision for taxes	253	399	Provision for taxes
Total, net of taxes	\$287	\$864	

Recognition of defined benefit pension and
post-retirement items:

Recognition of actuarial losses, plan amendments and prior service cost, before taxes	\$719	\$2,571	(a)
Provision for taxes	313	907	Provision for taxes
Total, net of taxes	\$406	\$1,664	

(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 and nine months ended September 30, 2014 and 2013.

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

	Nine months ended September 30,		Location of Amounts Recognized in Earnings
	2014	2013	
Effective portion of losses on cash flow hedging arrangements:			
Interest rate swap agreements	\$2,333	\$2,299	Interest expense
Foreign currency forward contracts	(453	) 1,517	Cost of sales - products
Total before taxes	1,880	3,816	
Provision for taxes	805	1,196	Provision for taxes
Total, net of taxes	\$1,075	\$2,620	
Recognition of defined benefit pension and post-retirement items:			
Recognition of actuarial losses, plan amendments and prior service cost, before taxes	\$2,131	\$7,707	(a)
Provision for taxes	945	2,156	Provision for taxes
Total, net of taxes	\$1,186	\$5,551	

(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 and nine months ended September 30, 2014 and 2013.

Comprehensive income (loss), net of tax consisted of the following as of September 30:

	Three Months Ended		Nine Months Ended	
	2014	2013	2014	2013
Net earnings	\$84,996	\$74,326	\$217,069	\$195,932
Other comprehensive income (loss), net of tax	(40,456	) 28,206	(40,993	) 16,926
Comprehensive income, net of tax	\$44,540	\$102,532	\$176,076	\$212,858

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 and nine month periods ended September 30, solely relating to outstanding stock options and restricted stock units:

	2014	2013
Three months ended	676,462	761,736
Nine months ended	690,658	773,139

Outstanding options and restricted stock units to purchase or receive 105,570 and 135,858 shares of common stock for the three and nine month periods ended September 30, 2014, 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. For the three and nine month periods ended September 30, 2013, there were no anti-dilutive outstanding options or restricted stock units.

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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 September 30:

	U.S. Pension Benefits		Non-U.S. Pension Benefits		Other U.S. Post-retirement Benefits		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Service cost, net	\$223	\$123	\$3,856	\$4,364	\$43	\$54	\$4,122	\$4,541
Interest cost on projected benefit obligations	1,599	1,439	5,380	4,864	60	101	7,039	6,404
Expected return on plan assets	(2,137)	(1,788)	(9,372)	(8,650)	—	—	(11,509)	(10,438)
Recognition of prior service cost	—	—	(1,009)	(991)	(195)	22	(1,204)	(969)
Recognition of actuarial losses/(gains)	1,200	1,945	1,082	1,842	(359)	(247)	1,923	3,540
Net periodic pension cost/(credit)	\$885	\$1,719	\$(63)	\$1,429	\$(451)	\$(70)	\$371	\$3,078

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 nine months ended September 30:

	U.S. Pension Benefits		Non-U.S. Pension Benefits		Other U.S. Post-retirement Benefits		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Service cost, net	\$669	\$370	\$11,741	\$12,991	\$129	\$162	\$12,539	\$13,523
Interest cost on projected benefit obligations	4,797	4,316	16,383	14,569	180	303	21,360	19,188
Expected return on plan assets	(6,411)	(5,365)	(28,512)	(25,912)	—	—	(34,923)	(31,277)
Recognition of prior service cost	—	—	(3,079)	(2,965)	(585)	65	(3,664)	(2,900)
Recognition of actuarial losses/(gains)	3,600	5,837	3,272	5,511	(1,077)	(741)	5,795	10,607
Net periodic pension cost/(credit)	\$2,655	\$5,158	\$(195)	\$4,194	\$(1,353)	\$(211)	\$1,107	\$9,141

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, the Company expects to make employer contributions of approximately \$21.8 million to its non-U.S. pension plans and employer contributions of approximately \$0.5 million to its U.S. post-retirement medical plan during the year ended December 31, 2014. 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

For the three and nine months ended September 30, 2014, we have incurred \$1.1 million and \$4.4 million, respectively of restructuring expenses which primarily comprised employee-related costs. Liabilities related to restructuring activities are included in accrued and other liabilities in the consolidated balance sheet.

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A rollforward of the Company's accrual for restructuring activities for the nine months ended September 30, 2014 is as follows:

	Employee Related	Other	Total
Balance at December 31, 2013	\$13,054	\$131	\$13,185
Restructuring charges	3,907	540	4,447
Cash payments and utilization	(7,413	) (564	) (7,977
Impact of foreign currency	(653	) —	(653
Balance at September 30, 2014	\$8,895	\$107	\$9,002

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 ended December 31, 2013, the Company has determined there are five reportable segments: U.S. Operations, Swiss Operations, Western European Operations, Chinese Operations and Other.

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:

	Net Sales to External Customers	Net Sales to Other Segments	Total Net Sales	Segment Profit	As of September 30, 2014 Goodwill
For the three months ended September 30, 2014					
U.S. Operations	\$195,827	\$20,058	\$215,885	\$34,769	\$308,112
Swiss Operations	35,375	112,544	147,919	40,286	22,748
Western European Operations	174,502	32,076	206,578	29,691	103,844
Chinese Operations	107,907	41,416	149,323	35,983	741
Other (a)	115,489	1,864	117,353	13,148	14,094
Eliminations and Corporate (b)	—	(207,958	) (207,958	) (27,177) —
Total	\$629,100	\$—	\$629,100	\$126,700	\$449,539

(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.

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

For the nine months ended	Net Sales to External Customers	Net Sales to Other Segments	Total Net Sales	Segment Profit	
September 30, 2014					
U.S. Operations	\$553,177	\$61,969	\$615,146	\$93,187	
Swiss Operations	101,172	328,932	430,104	113,011	
Western European Operations	505,935	88,950	594,885	74,252	
Chinese Operations	299,450	114,358	413,808	93,279	
Other (a)	328,821	4,946	333,767	33,236	
Eliminations and Corporate (b)	—	(599,155)	(599,155)	(76,364)	
Total	\$1,788,555	\$—	\$1,788,555	\$330,601	

For the three months ended	Net Sales to External Customers	Net Sales to Other Segments	Total Net Sales	Segment Profit	As of September 30, 2013 Goodwill
September 30, 2013					
U.S. Operations	\$181,224	\$21,775	\$202,999	\$32,810	\$307,933
Swiss Operations	33,003	107,856	140,859	34,445	23,745
Western European Operations	165,174	26,869	192,043	26,128	106,192
Chinese Operations	104,549	42,145	146,694	32,965	741
Other (a)	107,737	1,302	109,039	11,885	13,488
Eliminations and Corporate (b)	—	(199,947)	(199,947)	(22,152)	—
Total	\$591,687	\$—	\$591,687	\$116,081	\$452,099

For the nine months ended	Net Sales to External Customers	Net Sales to Other Segments	Total Net Sales	Segment Profit	
September 30, 2013					
U.S. Operations	\$526,239	\$57,817	\$584,056	\$90,806	
Swiss Operations	94,864	308,498	403,362	104,705	
Western European Operations	467,691	81,909	549,600	67,783	
Chinese Operations	293,047	110,290	403,337	86,987	
Other (a)	312,879	4,231	317,110	30,803	
Eliminations and Corporate (b)	—	(562,745)	(562,745)	(73,164)	
Total	\$1,694,720	\$—	\$1,694,720	\$307,920	

(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.

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A reconciliation of earnings before taxes to segment profit for the three and nine month periods ended September 30 follows:

	Three Months Ended		Nine Months Ended	
	2014	2013	2014	2013
Earnings before taxes	\$111,836	\$97,796	\$285,618	\$257,805
Amortization	7,198	6,675	21,575	17,604
Interest expense	5,991	5,557	17,613	16,500
Restructuring charges	1,050	5,532	4,447	13,730
Other charges (income), net	625	521	1,348	2,281
Segment profit	\$126,700	\$116,081	\$330,601	\$307,920

During the three months ended September 30, 2014, restructuring charges of \$1.1 million were recognized, of which \$0.1 million, \$0.4 million, \$0.1 million and \$0.5 million related to the Company's U.S., Western European, Chinese, and Other Operations, respectively. Restructuring charges of \$5.5 million were recognized during the three months ended September 30, 2013, of which \$0.8 million, \$1.9 million, \$2.1 million, and \$0.7 million related to the Company's U.S., Swiss, Western European, and Chinese Operations, respectively. Restructuring charges of \$4.4 million were recognized during the nine months ended September 30, 2014, of which \$1.7 million, \$0.6 million, \$1.0 million, \$0.4 million, and \$0.7 million related to the Company's U.S., Swiss, Western European, Chinese, and Other Operations, respectively. Restructuring charges of \$13.7 million were recognized during the nine months ended September 30, 2013, of which \$1.3 million, \$7.2 million, \$3.4 million, \$1.5 million and \$0.3 million related to the Company's U.S., Swiss, Western European, Chinese and Other 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.

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 and nine months ended September 30, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014.

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 for the three and nine month periods ended September 30, 2014 and 2013 (amounts in thousands).

	Three months ended September 30,				Nine months ended September 30,			
	2014		2013		2014		2013	
	(unaudited)	%	(unaudited)	%	(unaudited)	%	(unaudited)	%
Net sales	\$629,100	100.0	\$591,687	100.0	\$1,788,555	100.0	\$1,694,720	100.0
Cost of sales	285,549	45.4	273,114	46.2	824,187	46.1	788,146	46.5
Gross profit	343,551	54.6	318,573	53.8	964,368	53.9	906,574	53.5
Research and development	30,352	4.8	29,046	4.9	91,974	5.1	85,749	5.1
Selling, general and administrative	186,499	29.6	173,446	29.3	541,793	30.3	512,905	30.3
Amortization	7,198	1.1	6,675	1.1	21,575	1.2	17,604	1.0
Interest expense	5,991	1.0	5,557	0.9	17,613	1.0	16,500	1.0
Restructuring charges	1,050	0.2	5,532	0.9	4,447	0.2	13,730	0.8
Other charges (income), net	625	0.1	521	0.1	1,348	0.1	2,281	0.1
Earnings before taxes	111,836	17.8	97,796	16.6	285,618	16.0	257,805	15.2
Provision for taxes	26,840	4.3	23,470	4.0	68,549	3.9	61,873	3.6
Net earnings	\$84,996	13.5	\$74,326	12.6	\$217,069	12.1	\$195,932	11.6

Net sales

Net sales were \$629.1 million and \$591.7 million for the three months ended September 30, 2014 and 2013, respectively, and \$1.789 billion and \$1.695 billion for the nine months ended September 30, 2014 and 2013. This represents an increase of 6% in U.S. dollars for both the three and nine months ended September 30, 2014. Excluding the effect of currency exchange rate fluctuations, or in local currencies, net sales increased 6% and 5% for the three and nine months ended September 30, 2014, as compared to prior year comparable periods. Market conditions improved during the nine months ended September 30, 2014. However, global market conditions remain uncertain, especially in emerging markets and Europe, and we continue to be cautious regarding our sales growth outlook.

Net sales by geographic destination for the three months ended September 30, 2014 in U.S. dollars and local currencies increased in the Americas 7% and 7%, in Europe 5% and 4% and in Asia/Rest of World 8% and 7%, respectively. Our net sales by geographic destination for the nine months ended September 30, 2014 in U.S. dollars and local currencies increased 5% and 5% in the Americas, increased in Europe 8% and 5% and in Asia/Rest of World 3% and 4%, respectively. Net sales in local currency for Asia/Rest of World for the nine months ended September 30, 2014 were reduced by approximately 1% due to the exit of certain industrial-related businesses in China. 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, 2013, 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 increased 6% in U.S. dollars and 5% in local currencies for the three months ended September 30, 2014 and increased 5% in U.S. dollars and 4% local currencies for the nine months ended September 30, 2014, compared to the corresponding periods in 2013. Service revenue (including spare parts) increased by 9% in U.S. dollars and 8% in local currencies for the three months ended September 30, 2014 and increased in 8% in U.S. dollars and 7% in local currencies for the nine months ended September 30, 2014, compared to the corresponding periods in 2013.

Net sales of our laboratory-related products, which represented approximately 46% of our total net sales increased 6% in both U.S. dollars and local currencies for the three months ended September 30, 2014 and 7% and 6% in U.S. dollars and local currencies for the nine months ended September 30, 2014. The increase in net sales of our laboratory-related products for the three and nine months ended September 30, 2014 is principally driven by increased volume and favorable price realization in most categories.

Net sales of our industrial-related products, which represented approximately 45% of our total net sales increased 7% in both U.S. dollars and local currency for the three months ended September 30, 2014, and 5% and 4% in U.S. dollars and local currencies for the nine months ended September 30, 2014, respectively, compared to the corresponding prior year periods. The increase in net sales of our industrial-related products includes increased volume in most product categories, particularly in product inspection. The nine months ended September 30, 2014 results were offset in part by the exit of certain industrial-related businesses in China, which decreased industrial-related sales in local currency 1%. Overall Chinese market conditions for our industrial products remain weak. Growth in China can be expected to be volatile and the timing of recovery is uncertain.

Net sales in our food retailing products, which represented approximately 9% of our total net sales, increased 1% in U.S. dollars and were flat in local currency for the three months ended September 30, 2014, and increased 3% and 2% in U.S. dollars and local currency for the nine months ended September 30, 2014, compared to the corresponding prior year periods. The increase in net sales in local currencies of our food retailing products for the nine months ended September 30, 2014 is driven by strong project activity in Europe, offset in part by reduced sales in the Americas due to a difficult prior year comparison.

Gross profit

Gross profit as a percentage of net sales was 54.6% and 53.8% for the three months ended September 30, 2014 and 2013, respectively, and 53.9% and 53.5% for the nine months ended September 30, 2014 and 2013, respectively.

Gross profit as a percentage of net sales for products was 57.8% and 57.3% for the three months ended September 30, 2014 and 2013, respectively, and 57.5% and 57.1% for the nine months ended September 30, 2014 and 2013, respectively.

Gross profit as a percentage of net sales for services (including spare parts) was 43.5% and 41.5% for the three months ended September 30, 2014 and 2013, respectively, and 42.0% and 41.0% for the nine months ended September 30, 2014 and 2013, respectively.

The increase in gross profit as a percentage of net sales for the three and nine months ended September 30, 2014, includes increased price realization and reduced material costs, offset in part by unfavorable business mix and currency.

Research and development and selling, general and administrative expenses

Research and development expenses as a percentage of net sales was 4.8% and 4.9% for the three months ended September 30, 2014 and 2013, respectively, and 5.1% in both nine months ended September 30, 2014 and 2013.

Research and development expenses increased 4% and 3% in U.S. dollars and local currency for the three months ended September 30, 2014, and 7% and 5% in U.S. dollars and local currencies for the nine months ended September 30, 2014, respectively, compared to the corresponding periods in 2013, relating to the timing of research and development project activity.

Selling, general and administrative expenses as a percentage of net sales were 29.6% and 29.3% for the three months ended September 30, 2014 and 2013, respectively, and were 30.3% for both the nine months ended September 30, 2014 and 2013. Selling, general and administrative expenses increased 8% and 7% in U.S. dollars and in local currencies for the three months ended September 30, 2014, respectively, and increased 6% and 4% in U.S. dollars and in local currencies for the nine months ended September 30, 2014, compared to the corresponding periods in 2013. The increase includes higher cash incentive compensation and increased investments in our field sales organization as compared to the prior year, partially offset by lower employee benefit costs.

Amortization, interest expense, other charges (income), net and taxes

Amortization expense was \$7.2 million and \$6.7 million for the three months ended September 30, 2014 and 2013, respectively, and \$21.6 million and \$17.6 million for the nine months ended September 30, 2014 and 2013, respectively. The increase in amortization expense is primarily related to recent investment in information technology, including the Company's Blue Ocean program.

Interest expense was \$6.0 million and \$5.6 million for the three months ended September 30, 2014 and 2013, respectively, and \$17.6 million and \$16.5 million for the nine months ended September 30, 2014 and 2013, respectively. The increase in interest expense for the three and nine months periods ended September 30, 2014 is primarily a result of an increase in average borrowings.

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

The provision for taxes is based upon using our projected annual effective tax rate of 24% for the three and nine months periods ended September 30, 2014 and 2013. 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, 2013.

U.S. Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,			
	2014	2013	%	2014	2013	%	%
Total net sales	\$215,885	\$202,999	6	% \$615,146	\$584,056	5	%
Net sales to external customers	\$195,827	\$181,224	8	% \$553,177	\$526,239	5	%
Segment profit	\$34,769	\$32,810	6	% \$93,187	\$90,806	3	%

Total net sales increased 6% and 5% for the three and nine months ended September 30, 2014 compared with the corresponding periods in 2013. Net sales to external customers increased 8% and 5% for the three and nine months ended September 30, 2014, respectively. The increase in total net sales and net sales to external customers for the three months ended September 30, 2014 reflects strong growth in most of our laboratory-related products and product inspection, due to increased sales volume and favorable price realization, offset in part by reduced sales in food retailing which faced a difficult prior year comparison.

Segment profit increased \$2.0 million and \$2.4 million for the three and nine months ended September 30, 2014, respectively, compared to the corresponding periods in 2013. The increase in segment profit for the three months ended September 30, 2014 primarily related to increased sales, offset in part by increased cash incentive expense.

Swiss Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,			
	2014	2013	% ¹⁾	2014	2013	% ¹⁾	%
Total net sales	\$147,919	\$140,859	5	% \$430,104	\$403,362	7	%
Net sales to external customers	\$35,375	\$33,003	7	% \$101,172	\$94,864	7	%
Segment profit	\$40,286	\$34,445	17	% \$113,011	\$104,705	8	%

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

Total net sales increased 5% in U.S. dollars and 3% in local currency for the three months ended September 30, 2014, respectively, compared to the corresponding periods in 2013, and 7% in U.S. dollars and 3% in local currency for the nine months ended September 30, 2014. Net sales to external customers increased 7% in U.S. dollars and 5% in local currency for the three months ended September 30, 2014 and 7% in U.S. dollars and 3% in local currency for the nine months ended September 30, 2014, respectively, compared to the corresponding periods in 2013. The increase in local currency net sales to external customers for the three month periods ended September 30, 2014 includes strong volume growth in analytical instruments, as well as a solid growth in core-industrial products.

Segment profit increased \$5.8 million and \$8.3 million for the three and nine month periods ended September 30, 2014, respectively, compared to the corresponding periods in 2013. Segment profit includes the impact of increased sales, partially offset by unfavorable currency, increased cash incentive compensation and research and development activities.

Western European Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,			
	2014	2013	% ¹⁾	2014	2013	% ¹⁾	
Total net sales	\$206,578	\$192,043	8	% \$594,885	\$549,600	8	%
Net sales to external customers	\$174,502	\$165,174	6	% \$505,935	\$467,691	8	%
Segment profit	\$29,691	\$26,128	14	% \$74,252	\$67,783	10	%

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

Total net sales increased 8% in U.S. dollars and 6% in local currency for the three months ended September 30, 2014 and 8% in U.S. dollars and 5% in local currency for the nine months ended September 30, 2014, respectively, compared to the corresponding periods in 2013. Net sales to external customers increased 6% in U.S. dollars and 5% in local currency for the three months ended September 30, 2014, and 8% in U.S. dollars and 5% in local currency for the nine months ended September 30, 2014, compared to the corresponding periods in 2013. Total net sales and net sales to external customers for the three and nine months ended September 30, 2014 includes volume increases and favorable price realization across most product categories. Product inspection sales growth was also particularly strong during the three months ended September 30, 2014.

Segment profit increased \$3.6 million and \$6.5 million for the three and nine month periods ended September 30, 2014, respectively, compared to the corresponding periods in 2013 primarily due to increased sales, offset in part by increased sales and marketing investments and higher cash incentive expense.

Chinese Operations (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,			
	2014	2013	% ¹⁾	2014	2013	% ¹⁾	
Total net sales	\$149,323	\$146,694	2	% \$413,808	\$403,337	3	%
Net sales to external customers	\$107,907	\$104,549	3	% \$299,450	\$293,047	2	%
Segment profit	\$35,983	\$32,965	9	% \$93,279	\$86,987	7	%

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

Total net sales increased 2% in both U.S. dollars and local currency for the three months ended September 30, 2014 and increased 3% and 2% in U.S. dollars and local currency for the nine months ended September 30, 2014, compared to the corresponding periods in 2013. Net sales to external customers increased 3% in both U.S. dollars and local currency for the three months ended September 30, 2014 and increased 2% and 1% in U.S. dollars and local currency during the nine months ended September 30, 2014, compared to the corresponding periods in 2013. The increase in net sales to external customers during the three months ended September 30, 2014 reflects increased sales in most product categories, particularly laboratory-related products. The exit of certain industrial-related businesses decreased local currency sales 1% and 2%, respectively, for the three and nine months ended September 30, 2014, which has resulted in a decline in sales of our core-industrial products for the nine months ended September 30, 2014. Overall Chinese market conditions for our industrial products remain weak. Growth in China can be expected to be volatile and the timing of a recovery is uncertain.

Segment profit increased \$3.0 million and \$6.3 million for the three and nine month periods ended September 30, 2014, respectively, compared to the corresponding periods in 2013. The increase in segment profit for the three and nine months ended September 30, 2014 includes increased sales, favorable business mix and increased price realization.

Other (amounts in thousands)

	Three months ended September 30,			Nine months ended September 30,			
	2014	2013	% ¹⁾	2014	2013	% ¹⁾	
Total net sales	\$ 117,353	\$ 109,039	8	% \$ 333,767	\$ 317,110	5	%
Net sales to external customers	\$ 115,489	\$ 107,737	7	% \$ 328,821	\$ 312,879	5	%
Segment profit	\$ 13,148	\$ 11,885	11	% \$ 33,236	\$ 30,803	8	%

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

Total net sales increased 8% in U.S. dollars and 7% in local currencies for the three months ended September 30, 2014 and 5% in U.S. dollars and 8% in local currencies for the nine months ended September 30, 2014, respectively, compared to the corresponding periods in 2013. Net sales to external customers increased 7% in both U.S. dollars and local currencies for three months ended September 30, 2014 the 5% and 8% in local currencies for the nine months ended September 30, 2014, respectively, compared to the corresponding periods in 2013. The increase in total net sales and net sales to external customers for the three and nine months ended reflects increased sales volume in most product categories, particularly product inspection.

Segment profit increased \$1.3 million and \$2.4 million for the three and nine months ended September 30, 2014, respectively, compared to the corresponding periods in 2013. The increase in segment profit includes sales volume growth and favorable price realization, partially offset by unfavorable currency and increased sales and marketing investments.

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 \$278.2 million during the nine months ended September 30, 2014, compared to \$237.4 million in the corresponding period in 2013. The increase in 2014 is primarily due to the timing of working capital, including accounts receivable, offset in part by the timing of tax and higher cash incentive payments.

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 \$61.4 million for the nine months ended September 30, 2014 compared to \$57.0 million in the corresponding period in 2013.

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 September 30, 2014, 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 September 30, 2014:

	September 30, 2014		
	U.S. Dollar	Other Principal Trading Currencies	Total
6.30% \$100 million Senior Notes due June 25, 2015	\$ 100,000	\$—	\$ 100,000
3.67% \$50 million Senior Notes due December 17, 2022	50,000	—	50,000
4.10% \$50 million Senior Notes due September 19, 2023	50,000	—	50,000
3.84% \$125 million Senior Notes due September 19, 2024	125,000	—	125,000
Credit agreement	103,937	36,070	140,007
Other local arrangements	429	19,596	20,025
Total debt	429,366	55,666	485,032
Less: current portion	(100,429)	(19,596)	(120,025)
Total long-term debt	\$328,937	\$36,070	\$365,007

As of September 30, 2014, approximately \$655.6 million was available under our credit agreement. 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.

In June 2014, we entered into an agreement to issue and sell \$250 million of ten-year Senior Notes in a private placement. We issued \$125 million with a fixed interest rate of 3.84% ("3.84% Senior Notes") in September 2014 and we will issue \$125 million with a fixed interest rate of 4.24% ("4.24% Senior Notes") in September 2015.

Issuance costs approximating \$0.9 million will be amortized to interest expense over the ten year term of the Senior Notes.

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

Share Repurchase Program

We have a \$3 billion share repurchase program, of which there were \$595.9 million of remaining common shares authorized to be repurchased under the program at September 30, 2014. We expect that the authorization will be utilized over the next few years. 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 22.6 million shares since the inception of the program through September 30, 2014. During the nine months ended September 30, 2014 and 2013, we spent \$296.5 million and \$217.4 million on the repurchase of 1,186,215 shares and 1,004,398 shares at an average price per share of \$249.91 and \$216.44, respectively. We also reissued 246,551 shares and 280,691 shares held in treasury for the exercise of stock options and restricted stock units during the nine months ended September 30, 2014 and 2013, respectively.

Effect of Currency on Results of Operations

Our earnings are affected by changing exchange rates. We are most sensitive to changes in the exchange rates between the Swiss franc, euro, and U.S. dollar. We have more Swiss franc expenses than we do Swiss franc sales because we develop and manufacture products in Switzerland that we sell globally, and have a number of corporate functions located in Switzerland. When the Swiss franc strengthens against our other trading currencies, particularly the U.S. dollar and euro, our earnings go down. We also have significantly more sales in the euro than we do expenses. When the euro weakens against the U.S. dollar and Swiss franc, our earnings also go down.

A few factors help us manage these exchange rate risks. In September 2011, the Swiss National Bank established an exchange rate floor of 1.20 Swiss francs per euro. The floor has effectively stopped the strengthening of the Swiss franc beyond the 1.20 level. We do not know how long the Swiss National Bank will maintain this exchange rate floor. Additionally, in the third quarter of 2012, we entered into foreign currency forward contracts that reduce approximately 75% of our exposure from the Swiss franc strengthening against the euro. The forward contracts expire in October 2015. Absent these forward exchange contracts, we estimate a 1% strengthening of the Swiss franc against the euro would reduce our earnings before tax by approximately \$1.2 million annually. The impact on our earnings before tax of the Swiss franc strengthening 1% against the U.S. dollar would reduce our earnings before tax by approximately \$1.6 million annually.

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. The most significant of these currency exposures is the Chinese Renminbi. The impact on our earnings before tax of the Chinese Renminbi weakening 1% against the U.S. dollar is a loss of approximately \$0.7 million annually. 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 September 30, 2014, 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 \$6.2 million in the reported U.S. dollar value of the debt.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, to ASC 606 "Revenue from Contracts with Customers." ASU 2014-09 provides authoritative guidance clarifying the principles for recognizing revenue and developing a common revenue standard for U.S. GAAP. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Additionally, the guidance requires improved disclosure to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue that is recognized. The guidance becomes effective for the Company for the year beginning January 1, 2017. The Company is currently evaluating the impact the adoption of this guidance will have on the consolidated results of operations, financial position and disclosures.

In January 2014, the Company adopted ASU 2013-11 "Income Taxes." The amendment provided further guidance to the balance sheet presentation of unrecognized tax benefit when a net operating loss or similar tax loss carryforwards, or a tax credit carryforward exists. The adoption of this guidance did not have a material impact to the Company's consolidated results of operations or financial position.

Forward-Looking Statements Disclaimer

You should not rely on forward-looking statements to predict our actual results. Our actual results or performance may be materially different than reflected in forward-looking statements because of various risks and uncertainties. You can identify forward-looking statements by terminology such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential” or “continue”.

We make forward-looking statements about future events or our future financial performance, including earnings and sales growth, earnings per share, strategic plans and contingency plans, growth opportunities or economic downturns, our ability to respond to changes in market conditions, planned research and development efforts and product introductions, adequacy of facilities, access to and the costs of raw materials, shipping and supplier costs, gross margins, customer demand, our competitive position, capital expenditures, cash flow, tax-related matters, compliance with laws, and effects of acquisitions.

Our forward-looking statements may not be accurate or complete, and we do not intend to update or revise them in light of actual results. New risks also periodically arise. Please consider the risks and factors that could cause our results to differ materially from what is described in our forward-looking statements. See in particular “Factors Affecting Our Future Operating Results” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2013 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of September 30, 2014, 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, 2013.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer, Principal Financial Officer and the Principal Accounting 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, Principal Financial Officer, and Principal Accounting 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 September 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings. None

Item 1A. Risk Factors.

For the nine months ended September 30, 2014 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, 2013.

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

Issuer Purchases of Equity Securities

	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value (in thousands) of Shares that may yet be Purchased under the Program
July 1 to July 31, 2014	137,305	\$255.32	137,305	\$673,340
August 1 to August 31, 2014	147,087	\$263.20	147,087	\$634,624
September to September 31, 2014	144,449	\$268.06	144,449	\$595,900
Total	428,841	\$262.31	428,841	\$595,900

We have a share repurchase program, of which there is \$595.9 million remaining to repurchase common shares as of September 30, 2014. We have purchased 22.6 million shares since the inception of the program through September 30, 2014.

During the nine months ended September 30, 2014 and 2013, we spent \$296.5 million and \$217.4 million on the repurchase of 1,186,215 and 1,004,398 shares at an average price per share of \$249.91 and \$216.44, respectively. We also reissued 246,551 shares and 280,691 shares held in treasury for the exercise of stock options and restricted stock units for the nine months ended September 30, 2014 and 2013, respectively.

Item 3. Defaults Upon Senior Securities. None

Item 5. Other information. None

Item 6. Exhibits. See Exhibit Index below.

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: November 7, 2014

Mettler-Toledo International Inc.

By: /s/ Shawn P. Vadala

Shawn P. Vadala
Chief Financial Officer Principal
Accounting Officer

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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 Executive Vice President Pursuant to Section 302 of the Sarbanes — Oxley Act of 2002
31.3*	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

* Filed herewith