

METTLER TOLEDO INTERNATIONAL INC/
Form 10-Q/A
August 10, 2004

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

FORM 10-Q/A
(AMENDMENT #2)

(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, 2004, 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

13-3668641

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

Im Langacher, P.O. Box MT-100
CH 8606 Greifensee, Switzerland

(Address of principal executive offices)
(Zip Code)

+41-1-944-22-11

(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 X No

The Registrant had 44,280,211 shares of Common Stock outstanding at March 31, 2004.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12 b-2 of the Exchange Act). Yes X No

METTLER-TOLEDO INTERNATIONAL INC.

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INDEX TO QUARTERLY REPORT ON FORM 10-Q/A

	PAGE
PART I. FINANCIAL INFORMATION	
Item 1. FINANCIAL STATEMENTS.....	3
PART II. OTHER INFORMATION	
Item 6. EXHIBITS AND REPORTS ON FORM 8-K.....	17
SIGNATURE.....	18

EXPLANATORY NOTE

The Company is filing this Report on Form 10-Q/A to amend its Report on Form 10-Q for the quarterly period ended March 31, 2004, as previously amended by the Report on Form 10-Q/A filed on May 12, 2004. The amendment consists of the financial statements included in Item 1 of Part I (which are unchanged from those filed on May 10, 2004) and the disclosure in Item 1 of Part I presented below. No other changes have been made to the original Form 10-Q filed on May 10, 2004.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

EXPLANATORY NOTE

The Company's independent auditors, PricewaterhouseCoopers AG have informed the Company that they have completed their review of the Company's interim financial statements for the quarterly period ended March 31, 2004, which are included in this Form 10-Q/A. These financial statements are unchanged from those filed on May 10, 2004.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

METTLER-TOLEDO INTERNATIONAL INC.
 INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
 THREE MONTHS ENDED MARCH 31, 2004 AND 2003
 (IN THOUSANDS, EXCEPT SHARE DATA)

	MARCH 31, 2004	MARCH 31, 2003
	-----	-----
	(UNAUDITED)	(UNAUDITED)
Net sales		
Products	\$ 243,236	\$ 224,157
Service	75,473	67,651
	-----	-----
Total net sales	318,709	291,808
Cost of sales		
Products	118,281	113,755
Service	50,152	44,395
	-----	-----
Gross profit	150,276	133,658

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Research and development	20,655	18,470
Selling, general and administrative	96,809	84,805
Amortization	2,808	2,827
Interest expense	3,466	3,905
Other charges (income), net (see Note 7)	(64)	5,175
	-----	-----
Earnings before taxes	26,602	18,476
Provision for taxes	7,980	5,541
	-----	-----
Net earnings	\$ 18,622	\$ 12,935
	=====	=====

Basic earnings per common share:

Net earnings	\$ 0.42	\$ 0.29
Weighted average number of common shares	44,557,443	44,393,312

Diluted earnings per common share:

Net earnings	\$ 0.41	\$ 0.29
Weighted average number of common shares	45,836,934	45,288,823

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

METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2004 AND DECEMBER 31, 2003
(IN THOUSANDS, EXCEPT SHARE DATA)

	MARCH 31, 2004	DECEMBER 31, 2003
	-----	-----
	(UNAUDITED)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,768	\$ 45,116
Trade accounts receivable, net	239,321	249,353
Inventories, net	153,924	151,764
Current deferred tax assets, net	27,273	27,644
Other current assets and prepaid expenses	36,785	31,660
	-----	-----
Total current assets	502,071	505,537
Property, plant and equipment, net	223,685	231,512
Goodwill, net	422,652	421,940
Other intangible assets, net	126,005	126,874
Non-current deferred tax assets, net	39,869	40,683
Other non-current assets	59,967	60,730
	-----	-----
Total assets	\$ 1,374,249	\$ 1,387,276
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 64,472	\$ 68,243
Accrued and other liabilities	99,704	97,966

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Accrued compensation and related items	46,584	56,575
Deferred service revenue	38,666	20,759
Taxes payable	48,317	51,347
Current deferred tax liabilities	14,503	14,742
Short-term borrowings and current maturities of long-term debt	18,873	18,277
	-----	-----
Total current liabilities	331,119	327,909
Long-term debt	211,425	223,239
Non-current deferred taxes	45,592	46,519
Other non-current liabilities	133,608	135,613
	-----	-----
Total liabilities	721,744	733,280
Shareholders' equity:		
Preferred stock, \$0.01 par value per share; authorized 10,000,000 shares; issued 0	-	-
Common stock, \$0.01 par value per share; authorized 125,000,000 shares; issued 44,668,511 and 44,582,017 shares, outstanding 44,277,211 and 44,582,017 shares at March 31, 2004 and December 31, 2003, respectively)	447	446
Additional paid-in capital	473,385	471,628
Treasury stock at cost (391,300 and 0 shares at March 31, 2004 and December 31, 2003, respectively)	(16,591)	-
Retained earnings	218,838	200,216
Accumulated other comprehensive loss	(23,574)	(18,294)
	-----	-----
Total shareholders' equity	652,505	653,996
Commitments and contingencies	-	-
	-----	-----
Total liabilities and shareholders' equity	\$ 1,374,249	\$ 1,387,276
	=====	=====

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

METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND
COMPREHENSIVE INCOME (LOSS)
THREE MONTHS ENDED MARCH 31, 2004 AND 2003
(IN THOUSANDS, EXCEPT SHARE DATA)
(UNAUDITED)

	COMMON STOCK		ADDITIONAL	TREASURY	RETAINED
	SHARES	AMOUNT	PAID-IN CAPITAL	STOCK	EARNINGS
	-----	-----	-----	-----	-----
Balance at December 31, 2003	44,582,017	\$ 446	\$471,628	\$ -	\$200,216
Exercise of stock options	86,494	1	1,757	-	-
Repurchases of common stock	(391,300)	-	-	(16,591)	-
Comprehensive income:					
Net earnings	-	-	-	-	18,622

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Change in currency translation adjustment	-	-	-	-	-
Comprehensive income					
Balance at March 31, 2004	44,277,211	\$ 447	\$473,385	\$ (16,591)	\$218,838
Balance at December 31, 2002	44,384,820	\$ 444	\$459,213	\$ -	\$104,378
Exercise of stock options	8,492	-	159	-	-
Comprehensive income:					
Net earnings	-	-	-	-	12,935
Unrealized gain on cash-flow hedging instruments	-	-	-	-	-
Change in currency translation adjustment	-	-	-	-	-
Comprehensive income					
Balance at March 31, 2003	44,393,312	\$ 444	\$459,372	\$ -	\$117,313

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

METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2004 AND 2003
(IN THOUSANDS)

	MARCH 31, 2004	MARCH 31, 2003
	(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities:		
Net earnings	\$ 18,622	\$ 12,935
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	6,473	6,302
Amortization	2,808	2,827
Other	333	196
Increase (decrease) in cash resulting from changes in:		
Trade accounts receivable, net	5,441	12,333
Inventories	(3,839)	(5,641)
Other current assets	(5,055)	(8,105)
Trade accounts payable	(3,081)	(10,521)
Taxes payable	(2,377)	(9,937)
Accruals and other liabilities (a)	10,098	8,282
Net cash provided by operating activities	29,423	8,671
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	363	95

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Purchase of property, plant and equipment	(5,869)	(4,737)
Acquisitions	-	(197)
	-----	-----
Net cash used in investing activities	(5,506)	(4,839)
	-----	-----
Cash flows from financing activities:		
Proceeds from borrowings	31,980	21,024
Repayments of borrowings	(41,494)	(24,426)
Proceeds from options exercised	1,758	159
Repurchases of common stock	(16,591)	-
	-----	-----
Net cash used in financing activities	(24,347)	(3,243)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	82	5
	-----	-----
Net increase (decrease) in cash and cash equivalents	(348)	594
Cash and cash equivalents:		
Beginning of period	45,116	31,427
	-----	-----
End of period	\$ 44,768	\$ 32,021
	=====	=====

METTLER-TOLEDO INTERNATIONAL INC.
 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
 AT MARCH 31, 2004 - UNAUDITED
 (IN THOUSANDS EXCEPT SHARE DATA, UNLESS OTHERWISE STATED)

1. BASIS OF PRESENTATION

Mettler-Toledo International Inc. ("Mettler-Toledo" or the "Company") is a 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 Switzerland, the United States, Germany, the United Kingdom and China. The Company's principal executive offices are located in Greifensee, Switzerland.

The accompanying interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). 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 generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The interim consolidated financial statements as of March 31, 2004 and for the three month periods ended March 31, 2004 and 2003 should be read in conjunction

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with the December 31, 2003 and 2002 consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

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, 2004 are not necessarily indicative of the results to be expected for the full year ending December 31, 2004.

The preparation of financial statements in conformity with generally accepted accounting principles 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 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories, net

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 market value is based on assumptions for future demand and related pricing. Reserves for excess and obsolete inventories are established based on forecast usage, orders and technological obsolescence.

Inventories, net consisted of the following at March 31, 2004 and December 31, 2003:

	March 31, 2004	December 31, 2003
	-----	-----
Raw materials and parts	\$ 70,502	\$ 71,950
Work in progress	31,563	32,432
Finished goods	51,859	47,382
	-----	-----
	\$153,924	\$151,764
	=====	=====

Other Intangible Assets

Other intangible assets consisted of the following at March 31, 2004 and December 31, 2003.

March 31, 2004	December 31, 2003
-----	-----
Accumulated	Accumulated

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	Gross Amount	amortization	Gross Amount	amortization
	-----	-----	-----	-----
Customer relationships	\$ 70,955	\$ (3,821)	\$ 70,955	\$ (3,424)
Proven technology and patents	19,999	(4,270)	19,999	(3,809)
Tradenname (finite life)	893	(90)	893	(79)
Tradenname (indefinite life)	22,434	-	22,434	-
Intellectual property license (indefinite life)	19,905	-	19,905	-
	-----	-----	-----	-----
	\$134,186	\$ (8,181)	\$134,186	\$ (7,312)
	=====	=====	=====	=====

Other intangible assets substantially relate to the acquisition of Rainin. The annual aggregate amortization expense based on the current balance of other intangible assets is estimated at \$3.5 million for each of the next five years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stock Based Compensation

The Company applies the intrinsic valuation methodology under Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its stock option plan. Had compensation cost for the Company's stock option plan been determined based upon the fair value of such awards at the grant date, consistent with the methods of Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation," the Company's net earnings and basic and diluted net earnings per common share for the three months ended March 31 would have been as follows:

	2004	2003
	-----	-----
Net earnings:		
As reported	\$18,622	\$ 12,935
Compensation expense	(1,861)	(1,496)
	-----	-----
Pro forma	\$16,761	\$ 11,439
	=====	=====

Basic earnings per common share:

As reported	\$ 0.42	\$ 0.29
Compensation expense	(0.04)	(0.03)
	-----	-----
Pro forma	\$ 0.38	\$ 0.26
	=====	=====

Diluted earnings per common share:

As reported	\$ 0.41	\$ 0.29
Compensation expense	(0.04)	(0.04)
	-----	-----
Pro forma	\$ 0.37	\$ 0.25
	=====	=====

Warranty

The Company generally offers one-year warranties on most of its products.

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Product warranties are recorded at the time revenue is recognized for certain product shipments. While the Company engages in extensive product quality programs and processes, our warranty obligation is affected by product failure rates, material usage and service costs incurred in correcting a product failure.

Changes to the Company's accrual for product warranties for the three months ended March 31 are as follows:

	2004	2003
	-----	-----
Balance at beginning of period	\$10,121	\$8,850
Accruals for warranties	2,491	3,012
Payments / utilizations	(2,636)	(3,263)
	-----	-----
Balance at end of period	\$9,976	\$8,599

3. TREASURY STOCK

On February 5, 2004, the Company announced a share repurchase program, commencing with an initial buyback of up to \$100 million over the two-year period ending December 31, 2005. This program was approved by the Company's Audit Committee.

During the three months ended March 31, 2004 the Company spent \$16.6 million on the repurchase of 391,300 shares at an average price of \$42.37.

4. EARNINGS PER COMMON SHARE

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

	2004	2003
	-----	-----
Three months ended	1,279,491	895,511

Outstanding options to purchase 1,255,950 and 2,278,100 shares of common stock for the three month periods ended March 31, 2004 and 2003, respectively, have been excluded from the calculation of diluted weighted average number of common shares on the grounds that such options would be anti-dilutive.

5. OTHER COMPREHENSIVE INCOME

A reconciliation of changes in Other Comprehensive Income for the three months ended March 31 follows:

	2004	2003
	-----	-----
Balance at beginning of period	\$(18,294)	\$(61,649)
Change in currency translation adjustment	(5,280)	(426)
Unrealized gain on cash flow hedging arrangements	-	879
	-----	-----

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Balance at end of period \$ (23,574) \$ (61,196)

6. NET PERIODIC BENEFIT COST

Net periodic pension cost for the Company's defined benefit pension plans includes the following components for the three months ended March 31:

	U.S. Pension Benefits		Non-U.S. Pension Benefits	
	2004	2003	2004	2003
Service cost, net	\$ 127	\$ 134	\$3,548	\$3,561
Interest cost on projected benefit obligations	1,516	1,899	4,261	4,589
Expected return on plan assets	(1,598)	(1,558)	(5,282)	(5,465)
Recognition of actuarial losses (gains)	569	531	(408)	141
Net periodic pension cost	\$ 614	\$1,006	\$2,119	\$2,826

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

	2004	2003
Service cost	\$ 76	\$ 5
Interest cost on projected benefit obligations	522	68
Curtailment gain on plan freeze	-	(1,330)
Net amortization and deferral	(213)	(21)
Net periodic post-retirement benefit cost	\$ 385	\$ (1,278)
	=====	=====

As previously disclosed in the Company's annual report on Form 10-K for the year ended December 31, 2003, the Company expects to make normal employer pension contributions of approximately \$11.4 million to its non-U.S. defined benefit pension plans and \$2.4 million to its U.S. post-retirement medical plan during the year ended December 31, 2004.

7. OTHER CHARGES (INCOME), NET

Other charges (income), net consists primarily of charges related to the Company's restructuring programs, interest income, (gains) losses from foreign currency transactions, (gains) losses from sales of assets and other items.

As noted in previous filings, in accordance with U.S. GAAP, the restructuring charge taken in the second quarter of 2002 related to the exit of our French manufacturing facility was limited to the minimum contractual payment required by French law. During the three months ended March 31, 2003, the Company recorded a restructuring charge of \$5.4 million (\$3.8 million after tax). This charge comprised the additional employee-related costs resulting from final settlement of the social plan

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negotiated with the French workers' council during the first quarter of 2003.

The Company's significant restructuring programs were substantially completed at December 31, 2003.

7. OTHER CHARGES (INCOME), NET (CONTINUED)

A roll-forward of the Company's accrual for restructuring activities for the three months ended March 31, 2003 follows:

	Employee related	Lease termination	Other	Total
	(a)	(b)	(c)	
Balance at December 31, 2002	\$11,803	\$2,032	\$ 420	\$14,255
Restructuring expense	5,444	-	-	5,444
Cash payments	(2,112)	(202)	-	(2,314)
Impact of foreign currency	213	17	6	236
	-----	-----	-----	-----
Balance at March 31, 2003	\$15,348	\$1,847	\$ 426	\$17,621
	=====	=====	=====	=====

(a) Employee related costs include severance, medical and early retirement costs for approximately net 300 employees, of which 230 employees had been terminated as of March 31, 2003. These employees include positions primarily in manufacturing, as well as administrative and other personnel, primarily at the Company's Principal U.S. and Other Western European Operations.

(b) Lease termination costs primarily relate to the early termination of leases on vacated property, primarily at the Company's Principal U.S. and Other Western European Operations.

(c) Other costs include expenses associated with equipment dismantling and disposal and other exit costs.

8. SEGMENT REPORTING

The Company has six reportable segments: Principal U.S. Operations, Other Western European Operations, Principal Central European Operations, Swiss R&D and Manufacturing Operations, Asia and Other. In previous reporting periods, results from Asia were included within the Other operating segment. During the three months ended December 31, 2003, the Company's reporting units in Asia exceeded the quantitative threshold for disclosure as a separate operating segment. Segment disclosures for all periods in 2003 have been reclassified accordingly.

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

8. SEGMENT REPORTING (CONTINUED)

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

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For the three months ended March 31, 2004	Net sales to external customers	Net sales to other segments	Total net sales	Segment Profit	Goodwill net
Principal U.S. Operations	\$101,005	\$8,385	\$109,390	\$13,575	\$ 201,29
Other Western European Operations	79,151	5,216	84,367	2,399	84,78
Principal Central European Operations	47,621	14,878	62,499	5,217	26,29
Swiss R&D and Mfg. Operations	12,320	45,772	58,092	9,660	22,57
Asia	38,729	12,439	51,168	8,987	10,25
Other (a)	39,883	10,322	50,205	858	77,45
Eliminations and Corporate (b)	-	(97,012)	(97,012)	(7,884)	
Total	\$318,709	\$ -	\$318,709	\$32,812	\$ 422,65

For the three months ended March 31, 2003	Net sales to external customers	Net sales to other segments	Total net sales	Segment Profit (c)	Goodwill net
Principal U.S. Operations	\$100,485	\$8,847	\$109,332	\$14,446	\$201,6
Other Western European Operations	69,207	5,098	74,305	(3,290)	73,5
Principal Central European Operations	41,144	13,173	54,317	4,682	23,9
Swiss R&D and Mfg. Operations	12,218	39,898	52,116	7,777	21,5
Asia	30,495	7,197	37,692	5,194	8,7
Other (a)	38,259	8,684	46,943	(126)	77,0
Eliminations and Corporate (b)	-	(82,897)	(82,897)	(3,744)	
Total	\$291,808	\$ -	\$291,808	\$24,939	\$406,4

8. SEGMENT REPORTING (CONTINUED)

Non-GAAP Financial Measures

The Company supplements U.S. GAAP results with non-GAAP financial measures. The principal non-GAAP financial measure used is Adjusted Operating Income. Adjusted Operating Income is defined as gross profit less research and development, selling, general and administrative expenses and restructuring charges, before amortization, interest, other charges and taxes. The most directly comparable U.S. GAAP financial measure is net earnings.

The Company believes that Adjusted Operating Income is important supplemental information for investors. Adjusted Operating Income, or Segment Profit, is used internally as the principal profit measurement by our segments in their reporting to management. The Company uses this measure because it excludes amortization, interest, other charges and taxes, which are not allocated to the segments.

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On a consolidated basis, the Company also believes Adjusted Operating Income is an important supplemental method of measuring profitability. It is used internally by senior management for measuring profitability and setting performance targets for managers and has historically been used as one of the means of publicly providing guidance on possible future results. The Company also believes that Adjusted Operating Income is an important performance measure because it provides a measure of comparability to other companies with different capital or legal structures, which accordingly may be subject to disparate interest rates and effective tax rates, and to companies which may incur different amortization expenses or impairment charges related to intangible assets.

Adjusted Operating Income is used in addition to and in conjunction with results presented in accordance with U.S. GAAP. Adjusted Operating Income is not intended to represent operating income under U.S. GAAP and should not be considered as an alternative to net earnings as an indicator of the Company's performance because of the following limitations.

8. SEGMENT REPORTING (CONTINUED)

Limitations of the non-GAAP measure, Adjusted Operating Income

The non-GAAP measure, Adjusted Operating Income, has certain material limitations as follows:

- o It does not include interest expense. Because the Company has borrowed money to finance some of its operations, interest is a necessary and ongoing part of the Company's costs and has assisted the Company in generating revenue. Therefore any measure that excludes interest expense has material limitations;
- o It does not include taxes. Because payment of taxes is a necessary and ongoing part of the Company's operations, any measure that excludes taxes has material limitations;
- o It excludes amortization expense and other charges. Because these items are recurring, any measure that excludes them has material limitations.

Adjusted Operating Income should not be relied upon to the exclusion of U.S. GAAP financial measures, but reflects an additional measure of comparability and means of viewing aspects of the Company's operations that, when viewed together with U.S. GAAP results and the accompanying reconciliation to net earnings, provides a more complete understanding of factors and trends affecting the business.

Because Adjusted Operating Income is not standardized, it may not be possible to compare with other companies' non-GAAP financial measures having the same or a similar name. The Company strongly encourages investors to review these financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

A reconciliation of Adjusted Operating Income, or Segment Profit, to net earnings for the three months ended March 31 follows:

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	2004	2003
	-----	-----
Adjusted operating income after restructuring charge (a)	\$32,812	\$24,939
Amortization	2,808	2,827
Interest expense	3,466	3,905
Other charges, net (excluding restructuring charge)	(64)	(269)
Provision for taxes	7,980	5,541
	-----	-----
Net earnings	\$18,622	\$12,935
	=====	=====

(a) Adjusted Operating Income for 2003 includes a restructuring charge of \$5,444 primarily related to headcount reductions and manufacturing transfers. See Note 7 to the interim consolidated financial statements.

PART II. OTHER INFORMATION

Item 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

- 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

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 thereto duly authorized.

Mettler-Toledo International Inc.

Date: August 9, 2004

By: /s/ William P. Donnelly

 William P. Donnelly
 Chief Financial Officer