

METTLER TOLEDO INTERNATIONAL INC/

FORM 10-K (Annual Report)

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United States Securities and Exchange Commission

Washington, D.C. 20549

Form 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934 [No Fee Required]

For the fiscal year ended December 31, 1999

OR

Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934 [No Fee
Required] For the transition period from _____

to _____

Commission file number 0-22493

Mettler-Toledo International Inc.

(Exact name of registrant as specified in its charter)

Delaware 13-3668641

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

Im Langacher

P.O. Box MT-100

CH 8606 Greifensee, Switzerland

(Address of principal executive offices) (Zip Code)

011-41-1-944-22-11

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Name of each exchange

Title of each class on which registered

Common Stock, \$.01 par value New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

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 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

Indicate by check mark if disclosure of delinquent filers pursuant to

Item 405 of Regulation S-K (ss. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 7, 2000 there were 38,712,272 shares of the Registrant's Common Stock, \$0.01 par value per share, outstanding. The aggregate market value of the shares of common stock held by non-affiliates of the Registrant (based on the closing price for the Common Stock on the New York Stock Exchange on March 7, 2000) was approximately \$1,419,732,122. For purposes of this computation, shares held by affiliates and by directors of the Registrant have been excluded. Such exclusion of shares held by directors is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the Registrant.

Documents Incorporated by Reference

Document	Part of Form 10-K
Proxy Statement for 2000 Annual Meeting of Stockholders	Into which Incorporated Part III

METTLER-TOLEDO INTERNATIONAL INC.

**ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999**

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Unless otherwise stated or where the context otherwise requires, references herein to we, our, the "Company" or "Mettler-Toledo" refer to Mettler-Toledo International Inc. and its direct and indirect subsidiaries.

This Annual Report on Form 10-K includes forward-looking statements based on our current expectations and projections about future events. These forward-looking statements are subject to a number of risks and uncertainties which could cause our actual results to differ materially from historical results or those anticipated and certain of which are beyond our control. The words "believe," "expect," "anticipate" and similar expressions identify forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Exhibit 99.1 to this Report.

METTLER-TOLEDO(R), METTLER(R), INGOLD(R), GARVENS(R), OHAUS(R), DELTARANGE(R), DIGITOL(R), E-WEIGH(R), JAGUAR(R), JAGXTREME(R), MENTOR SC(R), OPRA(R), PANTHER(R), PILAR(R), SAFELINE(R), SPIDER(R), TRIMWEIGH(R) and TRUCKMATE(R) are among our registered trademarks used in this Report and MONOBLOC(TM), MULTIRANGE(TM), POWERPHASE(TM), SIGNATURE(TM) and VIPER(TM) are among our trademarks used in this Report.

Unless otherwise indicated, industry data contained herein is derived from publicly available industry trade journals, government reports and other publicly available sources. We have not independently verified this data but we believe the data is reliable. Where such sources are not available, industry data is derived from our internal estimates, which we believe to be reasonable, but which cannot be independently verified. As used in this Annual Report, "\$" refers to U.S. dollars, "CHF" or "SFr" refers to Swiss francs, "(pound)" refers to British pounds sterling and "CDN \$" refers to Canadian dollars.

PART I

ITEM 1. BUSINESS

Overview

Mettler-Toledo is a leading global supplier of precision instruments. We are the world's largest manufacturer and marketer of weighing instruments for use in laboratory, industrial and food retailing applications. We hold leading market positions in several related analytical instruments, and are a leading provider of automated chemistry systems used in drug and chemical compound discovery and development. For instance, we hold one of the top three global market positions in the following analytical instruments: titrators, thermal analysis systems, automatic lab reactors, automated synthesis products, pH meters and electrodes. In addition, we are the world's largest manufacturer and marketer of metal detection systems used in the production and packaging of goods in industries such as food processing, pharmaceutical, cosmetics, chemicals and other industries.

Market leadership and technology leadership are critical components of our success, and we have used these advantages to build our business. For instance, using our leading position in weighing instruments as our base, we have added other products, such as analytical instruments, automated chemistry systems and metal detectors, that appeal to our existing customer base. In addition, we focus on the high value-added segments of our markets by delivering innovation to the marketplace. Some examples of our innovations include more accurate forms of measurement, an increased use of automation or robotics in our products and the use of custom-designed software or open-system architectures to allow data gathered by our instruments to be more easily integrated into our customers' management information systems.

We believe our ability to maintain and enhance the strength of our leadership position in high value-added segments is due in part to the strength of our brand name and the quality of our global sales and service organization. We service a worldwide customer base through our own sales and service organization and we have a global manufacturing presence in Europe, the United States and Asia. Overall, we estimate the global market for weighing instruments to be approximately \$4.5 billion and the market for other measurement instruments to be approximately \$1.5 billion.

In 1999, our sales were \$1.1 billion. Of this total 46% came from Europe, 43% from North and South America and 11% from Asia and other countries. For additional information regarding our segment disclosure, see Note 16 to our audited consolidated financial statements. We attribute the strength of our sales growth to the non-cyclical nature of our two largest markets, the pharmaceutical and food and beverage industries. Moreover, the diversified nature of our customer base and product offerings provides an additional competitive strength on a global basis and limits our exposure to local economic trends.

History

We trace our roots to the invention of the single-pan analytical balance by Dr. Erhard Mettler and the formation of Mettler Instruments AG ("Mettler") in 1945. During the 1970s and 1980s, Mettler expanded from laboratory balances into industrial and food retailing products, and introduced the first fully electronic precision balance in 1973. The Toledo Scale Company, which we acquired in 1989, was founded in 1901 and developed a leading market position in the industrial weighing market in the United States. During the 1970s, Toledo Scale expanded into the food retailing market. When we acquired Toledo Scale, our name was changed to Mettler-Toledo to reflect the combined strengths of the two companies and to capitalize on their historic reputations for quality and innovation. During the past two decades, we have grown through additional acquisitions intended to complement our existing geographic markets and products. For instance, in 1986, we acquired the Ingold Group of companies, which manufacture electrodes, and Garvens Kontrollwaagen AG, which builds dynamic checkweighers. Toledo Scale acquired Hi-Speed Checkweigher Co. in 1981. In 1990, we acquired Ohaus Corporation, which manufactures laboratory balances. More recently, in 1997 we acquired Safeline, in 1998 we acquired Bohdan Automation, Applied Systems and Myriad Synthesizer Technology, and in 1999 we acquired the Testut-Lutrana group.

Mettler-Toledo International Inc. was incorporated in December 1991 and was recapitalized in connection with the October 15, 1996 acquisition of the Mettler-Toledo group of companies from Ciba-Geigy. In the acquisition, we paid cash consideration of approximately SFr 505.0 million (approximately \$402.0 million at October 15, 1996), including dividends of approximately SFr 109.4 million (approximately \$87.1 million at October 15, 1996), paid

approximately \$185.0 million to settle amounts due to Ciba-Geigy and its affiliates and incurred expenses in connection with the acquisition and related financing of approximately \$29.0 million. We financed the acquisition primarily with (i) borrowings under a credit agreement in the amount of \$307.0 million,

(ii) the issuance of \$135.0 million of senior subordinated notes and (iii) an equity contribution of \$190.0 million primarily from AEA Investors Inc., its shareholder-investors and our executive officers and other employees. Following the completion of our initial public offering in November 1997, management, employees and Company sponsored benefit funds held approximately 18% of the Company's shares on a fully diluted basis.

During the fourth quarter of 1997, we completed our initial public offering of 7,666,667 shares of common stock, including the underwriters' over-allotment options, at a per share price of \$14.00. The offering raised net proceeds, after underwriters' commissions and expenses, of approximately \$97.3 million. Concurrently with the offering, we refinanced our prior credit facility and used proceeds from the refinancing and the offering to repay the senior subordinated notes of our wholly owned subsidiary, Mettler-Toledo, Inc.

In 1999 and 1998, certain selling shareholders completed secondary offerings of 6,099,250 and 11,464,400 shares of our common stock, respectively, including the underwriters' over-allotment options. Neither we nor any of our directors, executive officers or other employees sold shares or received any proceeds from these offerings.

Recent Acquisitions

In May 1999, we acquired the Testut-Lutrana group, a leading manufacturer and marketer of industrial and retail weighing instruments in France with annual sales of approximately \$50 million. We believe this acquisition is an excellent strategic fit given Testut-Lutrana's extensive sales and service network in France and excellent brand recognition. By virtue of this acquisition, we have assumed the leading position in food retail weighing in Europe and are well positioned to meet the rapidly changing demands of our European customer base.

In April 1999 we announced that we had signed an agreement to convert our 60% joint venture in Changzhou, China, into a legal structure that provides us with full control through this change in ownership, we will be able to fully leverage this low cost manufacturing base for international markets. This move further demonstrates our strategic commitment to Asia and our belief in the fundamental growth factors for the region.

In 1998, we decided to pursue opportunities in the automated drug and chemical compound discovery and development market, and build on our leadership position as a provider of automated lab reactors and reaction calorimeters.

In December 1998, we announced that we had acquired two technologically advanced instrument companies, Applied Systems and Myriad Synthesizer Technology. Applied Systems designs, assembles and markets instruments for in-process molecular analysis, which is primarily used for researching, developing and monitoring chemical processes. Applied Systems' proprietary sensors, together with its innovative Fourier transform infrared technology, enable chemists to analyze chemical reactions as they occur, which is more efficient than pulling samples. Myriad Synthesizer Technology designs, assembles and markets instruments that facilitate and automate the synthesis of large numbers of chemical compounds in parallel, which

is a key step in the chemical compound discovery process. Its products can be used in all stages of synthesis in drug discovery.

In July 1998, we also extended our product offerings to the automated drug and chemical compound discovery market with our acquisition of Bohdan Automation Inc. Bohdan is a leading supplier of laboratory automation and automated synthesis products used in research for life science applications for pharmaceutical and agricultural products and in other applications in the food and chemicals industries.

These acquisitions enable us to offer a strong and comprehensive array of solutions, from sample preparation to compound synthesis to process development. We believe that our customers want solutions in this market from a company like Mettler-Toledo, with a reputation for innovation and quality and with a global presence and service network.

In May 1997, we acquired Safeline Limited for (pound)63.7 million (approximately \$104.4 million at May 30, 1997). Safeline is the world's largest manufacturer and marketer of metal detection systems for companies that produce and package goods in the food processing, pharmaceutical, cosmetics, chemicals and other industries. Safeline's metal detectors can also be combined with our checkweighing products for important quality and safety checks in these industries.

Market Leadership

We believe that we have a leading position in each of our markets, and at least 80% of our product sales are from products that are the global leaders in their segment. In the weighing instruments market, we are the only company to offer products for laboratory, industrial and food retailing applications globally and we believe that we hold a market share more than twice that of our nearest competitor. We believe that in 1999 we had approximately 45% of the global market for laboratory balances, including the largest market share in each of Europe, the United States and Asia (excluding Japan), and the number two position in Japan. In the industrial and food retailing markets, we believe we have the largest market share in Europe and the United States. In Asia, we have a substantial industrial and food retailing business which has gained market share in recent years. This business is supported by our established manufacturing presence in China. In addition, we also have one of the top three positions in the global market for several analytical instruments including titrators, thermal analysis systems, automatic lab reactors, automated synthesis products, pH meters and electrodes. We attribute our worldwide market leadership positions to the following competitive strengths:

o Global Brand and Reputation. The Mettler-Toledo brand name is identified worldwide with accuracy, reliability and innovation. Customers value these characteristics because precision instruments, particularly weighing and analytical instruments, significantly impact customers' product quality, productivity, costs and regulatory compliance. Furthermore, precision instruments generally constitute a small percentage of customers' aggregate expenditures. As a result, we believe customers focus on accuracy, product reliability, technical innovation, service quality, reputation and past experience when choosing precision instruments. We also believe that our customers experience high switching costs if they attempt to change vendors. Mettler-Toledo has one of the strongest brand names in the laboratory. In fact laboratory balances are often generically referred to as "Mettlers". The strength of this brand name has allowed us to successfully extend our laboratory product line to include other laboratory instruments.

o Technological Innovation. We have a long and successful track record of innovation and remain at the forefront of technological development by focusing on the high value-added segments of our markets. We believe that we are the global leader in our industry in providing innovative instruments, in integrating our instruments into application-specific solutions for customers and in facilitating the processing of data gathered by our instruments and the transfer of this data to customers' management information systems. Our technological innovation efforts benefit from our manufacturing expertise in sensor technology, precision machining and electronics, as well as our strength in software development.

o Comprehensive, High Quality Product Range. We manufacture a more comprehensive range of weighing instruments than any of our competitors. Our broad product line addresses a wide range of weighing applications across and within many industries and regions. Furthermore, our analytical instruments and metal detection systems complement our weighing products, enabling us to offer integrated solutions. We manufacture our products in modern facilities, most of which are ISO 9001 certified. Our broad range of high quality products and the ability to provide integrated solutions allows us to leverage our sales and service organization, product development activities and manufacturing and distribution capabilities.

o Global Sales and Service. We have the only global sales and service organization among weighing instruments manufacturers, and we believe that this capability is a major competitive advantage. At December 31, 1999, this organization consisted of more than 3,800 employees organized into locally based, customer-focused groups that provide prompt service and support to our customers and distributors in virtually all major markets around the world. The local focus of our sales and service organization enables us to provide timely, responsive support to our customers worldwide and provides feedback for manufacturing and product development. When we survey our current and potential customers on their needs, they often name service as the most important criteria for choosing their instrument suppliers. In addition to the service capability, this global infrastructure also allows us to capitalize on growth opportunities in emerging markets.

o Largest Installed Base. We believe that we have the largest installed base of weighing instruments in the world. From this installed base, we obtain service contracts that provide a strong, stable source of recurring service revenue. Service revenue represented approximately 17% of net sales in 1999, of which approximately 8% was derived solely from service contracts and repairs with the remainder derived from the sale of spare parts. We believe that our installed base of weighing instruments represents a competitive advantage with respect to repeat purchases and purchases of related analytical instruments and metal detection systems, because customers tend to remain with their existing suppliers. In addition, switching to a new instrument supplier entails additional costs to the customer for training, spare parts, service and systems integration requirements. Close relationships and frequent contact with our broad customer base also provide us with sales leads and new product and application ideas.

o Geographical, Product and Customer Diversification. Our revenue base is diversified by geographic region, product range and customer. Many different industries, including chemicals, pharmaceuticals, food processing, food retailing and transportation utilize our broad product range. We supply customers all over the world, and no one customer accounted for more than 3% of net sales in 1999. Our diverse revenue base reduces our

exposure to regional or industry-specific economic conditions, and our presence in many different geographic markets, product markets and industries enhances our attractiveness as a supplier to multinational customers.

Growth Strategies

We are implementing strategies relating to expanding our technology leadership, increasing our market share and capitalizing on opportunities in developed markets, capitalizing on opportunities in emerging markets, pursuing selected acquisition opportunities and re-engineering and cost savings. These strategies are designed to reduce our overall cost structure and enhance our position as a global market leader. The successful implementation of these strategies has contributed to an improvement in Adjusted Operating Income (gross profit less research and development and selling, general and administrative expenses before amortization and non-recurring costs) from \$39.5 million (4.6% of net sales) for 1995 to \$123.7 million (11.6% of net sales) for 1999. We are committed to improving our performance and are pursuing the following strategies:

Expanding Our Technology Leadership. We attribute a significant portion of our recent margin improvement to our research and development efforts. We intend to continue to invest in product innovation in order to provide technologically advanced products to our customers for existing and new applications. Over the last three years, we have invested more than \$150 million in research and development. Our research and development efforts fall into two categories:

- o technology advancements, which increase the value of our products. These may be in the form of enhanced functionality, new applications for our technologies, more accurate or reliable measurement, additional software capability or automation through robotics or other means
- o cost reductions, which reduce the manufacturing cost of our products through better overall design

Our research and development efforts have contributed to a pipeline of innovative and new products, significant reductions in product costs and reduced time to market for new products. Examples of recent product introductions include:

- o a family of highly automated parallel synthesis systems for drug and new chemical compound discovery
- o ALLex, an automated liquid/liquid extraction system, incorporating robotics and unique sample handling technology
- o additional modules for our high performance modular thermal analysis system
- o WinBridge, our global software solution for vehicle weighing
- o FormWeigh, our global software solution handling automated industrial batching processes (certified interface to SAP ERP software)
- o FreeWeigh, our latest generation software package for integrated process validation and statistical process control

- o S-Line, our new open system modular checkweigher family for end- of-line inspection in chemical, pharmaceutical, cosmetic and food packaging processes
- o OPRA, the first internet-enabled retail scale, based on open PC architecture and Windows platforms
- o VIPER, an innovative compact scale family for basic industrial process application
- o CountWeigh, our global software solution linking into integrated parts inventory control systems
- o a fully integrated metal detector and checkweigher (Combichecker)
- o a new density and refractometry measurement technology
- o a higher performance Karl Fischer titrator
- o the first Chinese-designed and manufactured laboratory balance line
- o a cost reduced basic level laboratory balance product family
- o a number of industrial and retail products that deploy open-system architecture

Increasing Our Market Share and Capitalizing on Opportunities in Developed Markets. We recognize that to be a successful company, we must not only develop excellent products, but we must market and distribute them effectively- more effectively than our competitors. We utilize what we believe are the most sophisticated marketing and sales techniques in our industry. These techniques include the development and utilization of marketing databases. We develop these databases to better understand the full potential of our market by customer, location, industry, instrument and related application. We then utilize this data to more efficiently direct our field resources and complement our direct and distributor sales forces with targeted mailing and telemarketing campaigns to more fully exploit our market's potential. We also utilize a dual brand strategy for certain market segments to improve our overall market penetration. For example, we sell balances under the Ohaus brand name as an alternative to the Mettler-Toledo brand name in certain distribution channels.

We believe that service capabilities are a critical success factor in our business. Our service capabilities, which provide support to our customers and distributors in virtually all major markets across the globe and include around-the-clock availability of well-trained technicians, are highly valued by our customers. We believe that no other competitor has global service capabilities.

The combination of our sophisticated marketing and sales techniques and service capabilities help us capitalize on growth opportunities in our developed markets. These opportunities include:

- o integrating information from our measurement instruments into our customers' data management software systems

- o automating and/or improving process control, in part by developing integrated solutions which combine instruments and related technologies to optimize manufacturing processes

- o harmonization of national weighing standards across countries

- o increasing standardization of manufacturing and laboratory practices programs like ISO 9001, Good Laboratory Practices and Good Manufacturing Practices

- o increasing recognition by our customers of the importance of preventive maintenance in reducing down time

Capitalizing on Opportunities in Emerging Markets. We believe that emerging markets will continue to provide growth opportunities for us in the long term. These growth opportunities are being driven primarily by economic development and global manufacturers' utilization of additional and more sophisticated precision instruments as they shift production to these markets. In addition, we believe that over the long term, the trend toward international quality standards, the need to upgrade mechanical scales to electronic versions and the establishment of local production facilities by our multinational client base will add to the opportunities in emerging markets. To date our emerging market expansion has primarily focused on Asia. In Asia (excluding Japan), we are the market leader in laboratory weighing instruments and have a substantial industrial and food retailing business that has gained market share in recent years. For instance, we have two profitable operations in China: a facility that manufactures and sells industrial and food retailing products and a facility that manufactures and distributes laboratory products. Both of these operations serve the domestic and export markets. We have also opened direct marketing organizations in Taiwan, Korea, Hong Kong, Thailand, Malaysia and Eastern Europe. Recognizing the strategic importance of Asia, we created a new executive committee position to head our Asian business. Beyond Asia, we are also expanding our sales and service presence in Latin America and other emerging markets.

We believe that to succeed in emerging markets, there are several advantages we must offer to our customer base:

- o to our multinational customers, we must offer the same level of service and problem-solving capabilities that we offer them in developed countries. We accomplish this through extensive training, including factory training, of our employees

- o to our local customers, we must offer lower cost and less complex products than are required by our customers in Japan, Europe and North America. We accomplish this through the increased research and development and manufacturing capabilities at our two Chinese production facilities

- o we must have a direct local presence to ensure that our combination of quality products and excellent service is effectively carried out at a local level so that we achieve the same level of brand awareness in emerging markets that we enjoy in developed markets. We have accomplished this in part by establishing ten new sales and service operations in emerging markets since 1996

Pursuing Selected Acquisition Opportunities. We believe that the combination of our market leadership, our strong brand name and our comprehensive sales and distribution network

supports an attractive platform for acquisitions. We are interested in acquiring companies that provide us with:

- o complementary products that will benefit from our brand name and global distribution channels. An example is our drug discovery acquisitions that we made in 1998 and whose products we have now added to our global distribution network. We offer these companies the infrastructure to expand globally and take advantage of the Mettler-Toledo brand name

- o integrated technology solutions, which we can combine with our own technologies to create an overall better solution for our customers. An example is Safeline Limited, which we acquired in 1997. We combined its metal detection equipment with our checkweighers to create one instrument, featuring integrated data management, a smaller footprint and only one man-machine interface- a better solution for many of our customers than separate products

- o consolidation opportunities in fragmented markets. Examples include our recent acquisition of the Testut-Lutrana group in France and our acquisitions of a number of independent industrial and retail weighing distributors in the United States

- o geographic expansion into markets where we do not have a direct presence. For example, in 1998 we established a small presence in India by acquiring a local manufacturer

Re-engineering and Cost Savings. We have improved our profitability in recent years partly through a series of initiatives aimed at reducing our cost structure. We plan to take similar initiatives in the future with the goal of further improving our operating margins. These initiatives include:

- o moving the production of certain product lines to lower cost locations and consolidating the production of others. For example, in 2000 we are planning to transfer production lines from the Americas to China and Europe and close facilities in order to continue to exploit our low cost Chinese manufacturing base and better utilize existing capacity in Europe

- o our worldwide procurement project, launched last year, is expected to bring us substantial cost savings. To take full advantage of our global purchasing power, we are working to eliminate price differences between units, leverage high-potential opportunities to increase buying power and establish a worldwide sourcing arrangement

- o increasing sales force productivity through telemarketing, increased training and other focused initiatives. For example, we have recently initiated an internet sales channel for certain product categories and have also significantly increased our telemarketing initiatives. We believe both of these programs will increase the productivity of our sales force

- o reducing distribution costs by using existing infrastructure more efficiently and centralizing processes where economies of scale can be obtained. For example, we recently consolidated most of our North American order processing and billing functions into one location

o reducing product cost through research and development, improved manufacturing processes and reducing the purchased cost of components. For example, we will introduce a number of products in 2000 with lower costs than the previous generation, including a number manufactured at our Chinese facilities

o continually reviewing operations to identify additional opportunities to reduce costs

We believe that these initiatives will place us in a position to build on our recent improvement in profitability. Furthermore, we believe that we can leverage our existing infrastructure, particularly our recent investments in Asia, to obtain continued sales growth without significant additions to our overall cost base.

Drug Discovery

Virtually all our efforts center on improving customers' processes. By working side-by-side with customers, we gain an in-depth understanding of their processes and how we can help them become more efficient.

Increasingly, the answer is automation. And, frequently, the tools are Mettler-Toledo's advanced robotics, intelligent software, and/or a combination of technologies into integrated, more powerful instruments. Our automated solutions provide excellent value and paybacks, ranging from time savings and better yields to higher-quality products and tighter inventory control.

We offer products with advanced automation in areas from food retailing to packaged goods. Where we are making the greatest difference is in the high-growth field of drug discovery. Each day that automation accelerates the introduction of a blockbuster drug can translate into millions of additional sales for a pharmaceutical company. Such tremendous payback opportunities on automation are driving our pharmaceutical customers to significantly increase their spending on these techniques.

With a comprehensive array of automated solutions for drug discovery, we can help customers achieve "leapfrog" improvements in efficiency. One such solution, our Myriad synthesizer, uses robotics and software to automate the generation of large libraries of compounds for screening. The benefits of this automation are dramatic. A chemist can manually synthesize about 50 to 200 compounds per year; with Myriad, he or she can synthesize as many as 100,000. By freeing scientists from time-consuming, routine tasks, our synthesizer allows them to focus on intellectually demanding elements of their work and pursue other value-creating activities.

In addition, we are establishing another unprecedented market position by combining our technologies to condense the sequence of the drug discovery process - further helping customers increase throughput. Our revolutionary approaches will enable customers to simultaneously carry out steps that historically have been done sequentially.

For example, we are launching an automatic lab reactor with multiple reaction vessels combined with an infrared multi-sensor device that provides real-time reaction analysis for each vessel. The combined instrument bridges the gap between parallel synthesizers for drug discovery and single-vessel reactor systems for process development. The combination also

forms a fully integrated solution for the process screening of drug candidates and creates exceptional customer value.

Instruments and Solutions

Laboratory Instruments and Solutions

We manufacture and market a complete range of laboratory balances, as well as other selected laboratory instruments, such as titrators, thermal analysis systems, automatic lab reactors, automated synthesis products, pH meters and electrodes, for laboratory applications in research and development, quality assurance, production and education. We estimate that approximately 40% of our sales are to customers using our instruments and services in laboratory environments. We estimate that we have approximately 45% share of the global market for laboratory balances and we are among the top three producers worldwide of titrators, thermal analysis systems, automatic lab reactors, automated synthesis products, pH meters and electrodes. We have also established a leading position in the drug discovery market. We believe that we have the leading market share for laboratory balances in each of Europe, the United States and Asia (excluding Japan) and the number two position in Japan.

Balances. The balance is the most common piece of equipment in the laboratory. We believe that we sell the highest performance laboratory balances available on the market, with weighing ranges from one ten-millionth of a gram up to 32 kilograms. The Company's brand name is so well recognized that laboratory balances are often generically referred to as "Mettlers." The Mettler-Toledo name is identified worldwide with accuracy, reliability and innovation. In our judgment, this reputation constitutes one of our principal competitive strengths.

In order to cover a wide range of customer needs and price points, we market laboratory balances in three principal product tiers offering different levels of functionality. High-end balances provide maximum automation of calibration, application support and additional functions. Mid-level balances provide a more limited but still extensive set of automated features and software applications. Basic level balances provide simple operations and a limited feature set. We also manufacture mass comparators, which are used by weights and measures regulators as well as laboratories to ensure the accuracy of reference weights. Due to the wide range of functions and features offered by our products, prices vary significantly. A typical mid-range precision balance is priced at approximately \$2,500 and a typical microbalance is priced at approximately \$14,000.

In addition to Mettler-Toledo branded products, we also manufacture and sell balances under the brand name "Ohaus." Ohaus branded products include mechanical balances and electronic balances for the educational market and other markets in which customers are interested in lower cost, a more limited set of features and less comprehensive support and service.

Titrators. Titrators measure the chemical composition of samples. Our high-end titrators are multi-tasking models, which can perform two determinations simultaneously. They permit high sample throughputs and have extensive expansion capability and flexibility in calculations, functions and parameters. Most models, including those in the lower-range, permit common determinations to be stored in a database for frequent use. Titrators are used heavily in the food and beverage industry. A typical titrator is priced at approximately \$12,000.

Thermal Analysis Systems. Thermal analysis systems measure different properties, such as weight, dimension and energy flow, at varying temperatures. Our thermal analysis products include full computer integration and a significant amount of proprietary software. Thermal analysis systems are used primarily in the plastics and polymer industries. A typical thermal analysis system is priced at approximately \$50,000.

pH Meters. A pH meter measures acidity in a laboratory sample and is the second most widely used measurement instrument in the laboratory, after the balance. We manufacture desktop models and portable models. Desktop models are microprocessor-based instruments, offering a wide range of features and self-diagnostic functions. Portable models are waterproof, ultrasonically welded and ergonomically designed. Data collected from a portable meter can be downloaded to a computer or printer using an interface kit and custom software. pH meters are used in a wide range of industries. A typical pH meter is priced at approximately \$1,200.

Automatic Lab Reactors and Reaction Calorimeters. Automatic lab reactors and reaction calorimeters simulate an entire chemical manufacturing process in the laboratory. Customers use the simulation test before proceeding to production, in order to test the safety and feasibility of new processes. Our products are fully computer-integrated, with a significant software component that we also provide. They also offer wide flexibility in the structuring of experimental processes. Automatic lab reactors and reaction calorimeters are typically used in the chemicals and pharmaceutical industries. A typical lab reactor is priced at approximately \$140,000.

Synthesizers. We manufacture automated parallel synthesizers for use in sophisticated chemistry environments, such as pharmaceutical laboratories. These synthesizers allow scientists to develop new compounds more efficiently and to create large libraries of molecules at the same time instead of creating them one by one as is done traditionally. This is an important aspect of combinatorial chemistry in the drug and chemical compound discovery process. Our synthesizers use robotics and sophisticated software to automate what was previously a manual process. A synthesizer costs between \$75,000 and \$1,000,000, depending on its functionality.

Robotic Workstations. Robotic workstations include dedicated automated instruments for weighing, pH meter measurement, titration and other analytical technologies, particularly in the area of sample preparation. Sample preparation has historically been a manual process for our customers and accounts for a significant cost in chemical analysis. By automating these manual processes, our robotic workstations significantly increase productivity in the laboratory and specifically meet our pharmaceutical, chemical and other customers' needs for automated solutions for drug and chemical compound discovery. Our robotic workstations include sophisticated software and cost between \$20,000 and \$75,000 depending on its functionality.

Other Instruments. We have recently introduced single-channel and multi-channel pipettes which are used for liquid handling in the laboratory. These devices are the most widely used instruments in the rapidly growing life science market. We sell density and refractometry instruments, which measure chemical concentrations in solutions. These instruments are sourced through a marketing joint venture with a third-party manufacturer, but are sold under the Mettler-Toledo brand name. In addition, we manufacture and sell moisture analyzers, which precisely determine the moisture content of a sample by utilizing an infrared dryer to evaporate moisture. We also manufacture electrodes for use in a variety of laboratory instruments and in-line process applications. Laboratory electrodes are used in pH meters and titrators, and may be replaced many times during the life of the instrument.

Industrial and Food Retailing Instruments and Solutions

In 1999, we continued the globalization of our industrial and retail businesses, which historically were distinct entities in North America and Europe, by reorganizing the businesses under a global head. Our reorganization anticipates the continued emergence of a global marketplace, as our customers set up operations worldwide and as industry standards are harmonized globally.

The new organization will improve customer service and support by ensuring we offer state-of-the-art solutions and consistent quality and service levels around the globe. It is this powerful combination that continues to attract major customers who have standardized on our weighing instruments at their facilities worldwide. Our reorganization also will increase our cost-effectiveness by eliminating duplicate costs and standardizing product lines. By reducing 25 regional product groups to 15 global lines, we are better leveraging our R&D and other resources to develop even more advanced solutions for customers.

We offer industrial measurement solutions, principally the measurement of weight, to customers in a variety of industries, often in the same end markets where we sell our laboratory instruments. The key end markets for these solutions are the food, pharmaceutical, chemical, cosmetics and logistics industries. We also sell weighing instruments and solutions to the electronics, metal, rubber and plastics industries and to the public sector in connection with the control and tariff of trucks.

Weighing instruments are among the most broadly used measurement devices in industry and food retailing. We estimate that approximately 40% of our sales are to customers using our instruments and services in industrial environments and 20% to customers in food retailing environments. We believe that we have the largest market share in the industrial and food retailing market in each of Europe and the United States. In Asia, we have a substantial industrial and food retailing business which has gained market share in recent years. This business is supported by an established manufacturing presence in China. We believe that we are the only company with a true global presence across industrial and food retailing weighing applications.

Our industrial measurement solutions cover many customer processes from raw material management, to production, through to packaging and into the logistics industry. We can walk through the steps in a typical production process to illustrate some of the solutions we offer:

- o For food and pharmaceutical companies, as well as other process industries, the production process begins with the receipt of bulk materials, such as ingredients for food or chemicals. We offer integrated solutions to help customers manage these inventory items from the time they enter a facility to when they move into production. This is accomplished through weigh stations with our industrial terminals and application-specific software which helps manage the inventory flow at each step. The data collected by our instruments is usually interfaced with customers' ERP systems.

- o Production processes often require the mixing of inventory items or ingredients using a formula or recipe. Since these formulas are based on weight, we offer

integrated weighing solutions, including our FormWeigh software package to control the formulation process and manage production.

o After the food item or drug has been manufactured, it must go through a packaging process where it is sorted and enclosed in a container. Two standard quality control processes in virtually all packaging lines are tests for over- or under-filling and for metal contamination. We offer instruments for both these applications. In addition, we offer specialized industrial terminals and software for statistical quality control which allows a customer to run a number of standard quality control applications and to send instructions to earlier phases in the packaging process to correct off-specification conditions.

o Finally, after the food or drug item has been packaged, it enters a logistics process in which the item ultimately reaches an end customer. We offer highly advanced solutions for logistics companies like FedEx and DHL to capture the weight and dimension of packages as they move through their hub systems. Logistics companies then use the data captured in these systems to manage loads and bill their customers.

We also offer perishable goods management systems to assist large food retailers in their management of fresh goods, such as meats, fruits, vegetables and cheese. These perishable goods management systems are networked computers deployed in a store, each with weighing sensors, which are linked together with an array of software packages that assist in the management of perishable goods. We offer these solutions for individual stores or can network together large numbers of stores. Many food retailers are considering the movement of these solutions to the internet, where they can manage their perishable goods inventory and control pricing of individual items in real-time. Our perishable goods management systems can also be used as merchandising tools, for example by showing promotional information on the display.

The industrial and food retailing products that we offer in providing these solutions are described in more detail below.

Industrial Scales and Balances. We offer a complete line of industrial scales and balances, such as bench scales and floor scales, for weighing loads from a few grams to several thousand kilograms in applications ranging from measuring materials in chemical production to weighing mail and packages. Our product lines include the "Viper" and "Spider" range of scales, often used in receiving and shipping departments in counting applications; "TrimWeigh" scales, which determine whether an item falls within a specified weight range, and are used primarily in the food industry; "Mentor SC" scales, for counting parts; and precision scales for formulating and mixing ingredients. Prices vary significantly with the size and functions of the scale, generally ranging from \$1,000 to \$20,000.

Industrial Weighing Terminals. Our industrial weighing terminals, such as "FormWeigh," are based on an open-system architecture that enables interaction with customers' enterprise software packages. Prices for industrial weighing terminals vary significantly based on functionality of the application, generally ranging from \$500 to \$10,000. Our "MultiRange" products also include standardized software which uses the weight data obtained to calculate other parameters, such as price or number of pieces. The modular design of these products facilitates the integration of our weighing equipment into a computer system performing other functions, like inventory control or batch management.

Truck Scale Systems. Our primary heavy industrial products are scales for weighing trucks or railcars (i.e., weighing bulk goods as they enter a factory or at a toll station). Our truck scales, such as the "DigiTol TRUCKMATE," generally have digital load cells, which offer significant advantages in serviceability over analog load cells. Heavy industrial scales are capable of measuring weights up to 500 tons and permit accurate weighing under extreme environmental conditions. We also offer advanced computer software, such as "WinBridge," that can be used with our heavy industrial scales to permit a broad range of applications. Truck scale prices generally range from \$20,000 to \$50,000.

Dynamic Checkweighers. We offer solutions to checkweighing requirements in the food processing, pharmaceutical, chemicals and cosmetic industries, where customers are required to accurately measure portions for packaging. We also offer checkweighing solutions to the transportation and package delivery industries, where tariffs are levied based on weight. Customizable software applications utilize the information generated by checkweighing hardware to find production flaws, packaging and labeling errors and nonuniform products, as well as to sort rejects and record the results. Our checkweighing equipment can accurately determine weight in dynamic applications at speeds of up to several hundred units per minute. Checkweighers generally range in price from \$8,000 to \$40,000.

Metal Detection Systems. Metal detection systems control the removal of products that are identified as contaminated by metal during the manufacturing process in the food processing, pharmaceutical, cosmetics, chemicals and other industries. Metal detectors therefore provide manufacturers with vital protection against metal contamination arising from their own production processes or from using contaminated raw materials. Metal detectors are most commonly used with checkweighers as components of integrated packaging lines in the food processing, pharmaceutical and other industries. Prices for metal detection systems generally range from \$5,000 to \$20,000.

Dimensioning Equipment. We offer automated dimensioning equipment for use in the shipping industry to measure package volumes. These products employ the patented PILAR technology and are integrated with industrial scales to combine volume-based and weight-based tariff calculations. Prices for integrated dimensioning/weighing systems range from \$5,000 to \$20,000.

Retail Scale Systems and Prepackaging Systems. Supermarkets, hypermarkets and other food retail establishments make use of multiple weighing applications for the full handling of perishable goods. For example, perishable goods are weighed on arrival to determine payment to suppliers and some of these goods are repackaged, priced and labeled for sale to customers. Other goods are kept loose and selected by customers and either weighed at the produce or delicatessen counter or at the checkout counter.

We offer stand-alone scales for basic counter weighing and pricing, price finding, and printing. In addition, we offer network scales and software, which can integrate backroom, counter, self-service and checkout functions, and can incorporate weighing data into a supermarket's overall perishable goods management system. Backroom products include dynamic weighing products, labeling and wrapping machines, perishable goods management and data processing systems. In some countries in Europe, we also sell slicing and mincing equipment. Prices for food retailing scales generally range from \$500 to \$5,000, but are often sold as part of comprehensive weighing solutions.

Customers and Distribution

Our business is geographically diversified, with sales in 1999 derived 46% from Europe, 43% from North and South America and 11% from Asia and other countries. Our customer base is also diversified by industry and by individual customer. Our largest single customer accounted for no more than 3% of 1999 net sales.

We use the Mettler-Toledo Web site, www.mt.com, to provide current and prospective customers and other audiences with the information they need in a convenient manner. With more than 2,500 pages of information, our Web site has become a principal source of answers for customers' questions on many laboratory, industrial and food retailing processes. Customers repeatedly tell us how much they value this resource, reinforcing their belief in our unparalleled applications support and further strengthening our brand.

In addition, we use the information gained through visits to our site to make our marketing messages even more relevant to customers. This includes employing one-to-one marketing techniques, which are already proving successful.

Laboratory

Principal customers for laboratory products include: chemicals manufacturers, pharmaceutical manufacturers, cosmetics manufacturers, food and beverage makers, the metals industry, the electronics industry, the plastics industry, the transportation industry, the packaging industry, the logistics industry, the rubber industry, the jewelry and precious metals trade, educational institutions and government standards laboratories. Balances, pH meters and pipettes are the most widely used laboratory measurement instruments and are found in virtually every laboratory across a wide range of industries. Other products have more specialized uses.

Our laboratory products are sold through a worldwide distribution network. Our extensive direct distribution network and our dealer support activities enable us to maintain a significant degree of control over the distribution of our products.

We now offer customers the ability to shop online for basic instruments with global appeal, such as balances, pipettes, pH meters, electrodes, titrators and density meters. Launched in mid-1999, www.MT-Shop.com presents customers with unique options, including the ability to customize a product down to a specific color or design motif. Users also can access the site in five languages.

Our virtual shop is aimed principally at small start-up companies and individual scientists segments of the market that previously were difficult to reach cost-effectively. The site is expected to increase brand awareness and market penetration with these new target groups.

In the United States where there are strong independent laboratory distributors, we use them as the primary marketing channel for lower to mid-price products. This strategy allows us to leverage the strength of both the Mettler-Toledo brand and the laboratory distributors' market position into sales of other laboratory measurement instruments. We provide our distributors with a significant amount of technical and sales support. Mid to high-end products in the United States are handled by our own sales force. There has been recent consolidation among distributors in the United States market. While this consolidation could adversely affect our

U.S. distribution, we believe our leadership position in the market gives us a competitive advantage when dealing with our U.S. distributors.

We sell products in Asia through our own sales force and distributors, and in Europe primarily through direct sales. European and Asian distributors are generally fragmented on a country-by-country basis.

Ohaus branded laboratory balances are generally positioned in alternative distribution channels to those of Mettler-Toledo branded products. This means that we can fill a greater number of distribution channels and increase penetration of our existing markets. Since acquiring Ohaus in 1990, we have expanded this brand beyond its historical U.S. focus. Ohaus branded products are sold exclusively through distributors.

Industrial and Food Retailing

We offer industrial and food retailing measurement solutions, principally the measurement of weight, to customers in a variety of industries, often in the same end markets where we sell our laboratory instruments. The key end markets for these solutions are the food, pharmaceutical, chemical, cosmetics and logistics industries. We also sell weighing instruments and solutions to the electronics, metal, rubber and plastics industries and to the public sector in connection with the control and tariff of trucks.

Our industrial products share weighing technology, and often minor modifications to existing products make them useful for applications in a variety of industrial processes. We also sell to original equipment manufacturers ("OEMs") which integrate our modules into larger process control applications or comprehensive packaging lines. Our products are also purchased by engineering firms, systems integrators and vertical application software companies.

Customers for metal detection systems are typically food processing, pharmaceutical, cosmetics and chemicals manufacturers that must ensure that their products are free from contamination by metal particles. Undetected metal contamination can have severe consequences for these companies, including potential litigation and product recalls. Metal detection systems are most commonly utilized together with checkweighers as components of integrated packaging lines. Metal detectors provide important safety checks before food and other products are delivered to customers. Metal detection systems are also used in pipeline detectors for dairy and other liquids, gravity fall systems for grains and sugar and throat detection systems for raw material monitoring.

Our food retailing products customers include supermarkets, hypermarkets and smaller food retailing establishments. The North American and European markets already include many large supermarket chains, and there is an on-going shift in most of our food retailing markets from "mom and pop" grocery stores to supermarkets and hypermarkets. While supermarkets and hypermarkets generally buy less equipment per customer, they tend to buy more advanced products that require more electronic and software content. In emerging markets, however, the highest growth is in basic scales. As with industrial products, we also sell food retailing products to OEMs for inclusion in more comprehensive checkout systems. For example, our OEMs often incorporate our checkout scales into scanner-scales, which can weigh perishable goods and also read bar codes on other items. Scanner-scales are in turn integrated with cash registers to form a comprehensive checkout system.

In the industrial and food retailing market, we sell both directly to customers (including OEMs) and through distributors. In the United States, direct sales exceed distribution sales and in Europe, direct sales predominate, with distributors used in certain cases. We sell products in Asia primarily through distributors, except in China where we sell products through our own sales force and distributors. Where we use distributors, we seek to provide them with significant support.

Sales and Service

Market Organizations

We have over 30 geographically focused market organizations ("MOs") around the world that are responsible for all aspects of our sales and service. The MOs are local marketing and service organizations designed to maintain close relationships with our customer base. Each MO has the flexibility to adapt its marketing and service efforts to account for different cultural and economic conditions. MOs also work closely with our producing organizations (described below) by providing feedback on manufacturing and product development initiatives and relaying innovative product and application ideas.

We have the only global sales and service organization among weighing instruments manufacturers. At December 31, 1999, our sales and services group consisted of more than 3,800 employees in sales, marketing and customer service (including related administration) and after-sales technical service. This field organization has the capability to provide service and support to our customers and distributors in virtually all major markets across the globe.

Sales managers and representatives interact across product lines and markets in order to serve customers that have a wide range of instrument needs, such as pharmaceutical companies that purchase both laboratory and industrial products. We classify customers according to their potential for sales and the appropriate distribution channel is selected to service the customer as efficiently as possible. Larger accounts tend to have dedicated sales representatives. Other representatives specialize by product line. Sales representatives call directly on end-users either alone or, in regions where sales are made through distributors, jointly with distributors.

We utilize a variety of advertising media, including trade journals, catalogs, exhibitions and trade shows. In addition, we also sponsor seminars, product demonstrations and customer training programs. Our high market share helps us to gauge growth opportunities, target our message to appropriate customer groups and monitor competitive developments. We utilize sophisticated marketing techniques in our sales efforts. These techniques include the development and utilization of marketing databases. We develop these databases to better understand the full potential of our market by customer, location, industry, instruments and related application. We then utilize this data to more efficiently direct our field resources and complement our direct and distributor sales forces with targeted mailing and telemarketing campaigns to more fully exploit our market's potential.

We also utilize a dual brand strategy for certain market segments to improve our overall market penetration. For example, we sell laboratory balances under the Ohaus brand name as an alternative to the Mettler-Toledo brand name in certain distribution channels.

After-Sales Service

We believe service capabilities are a critical success factor in our business. Through our own dedicated service technicians, we provide contract and repair services in all countries in which our products are sold. We estimate that we have the largest installed base of weighing instruments in the world, and our contract and repair services generate significant revenues. In 1999, service (representing service contracts, repairs and replacement parts) accounted for approximately 17% of our total net sales (service revenue is included in the laboratory and industrial and food retailing sales percentages given above). Approximately half of this amount is derived from spare parts with the remaining portion derived from service contracts. Beyond revenue opportunities, service is a key part of our product offering and helps significantly in generating repeat sales. The close relationships and frequent contact with our large customer base provides us with sales opportunities and innovative product and application ideas. A global service network also is an important factor in our ability to expand in emerging markets. Moreover, the widespread adoption of quality laboratory and manufacturing standards and the privatization of weights and measures certification represent favorable trends for our service business, as they tend to increase demand for on-site calibration services.

Our service contracts provide for repair services within various guaranteed response times, depending on the level of service selected. Many contracts also include periodic calibration and testing. Contracts are generally one year in length, but may be longer. If the service contract also includes products of other manufacturers, we will generally perform calibration, testing and basic repairs directly, and contract out more significant repair work. As application software becomes more complex, our service efforts increasingly include installation and customer training programs as well as product service.

Research and Development; Manufacturing

Producing Organizations

Our product development, research and manufacturing efforts are organized into a number of producing organizations ("POs"). At December 31, 1999, POs included approximately 4,100 employees worldwide. POs are product development teams comprised of personnel from our marketing, development, research, manufacturing, engineering and purchasing departments. POs often seek customer input to ensure that the products developed are tailored to market needs. We have organized our POs to reduce product development time, improve customer focus, reduce costs and maintain technological leadership. The POs work together to share ideas and best practices, and some employees are in both MOs and POs. We recently implemented a number of projects that we believe will further increase productivity and lower costs. For example, we restructured the order and product delivery process in Europe to enable us to deliver many of our products to our customers directly from the manufacturing facility within several days, which minimizes the need to store products in decentralized warehouses. In addition, we have centralized our European spare parts inventory management system allowing all spare parts for Europe to be delivered from a single, highly automated location.

Research and Product Development

We attribute a significant portion of our recent margin improvement to our research and development efforts. We intend to continue to invest in product innovation in order to provide technologically advanced products to our customers for existing and new applications. Over the

last three years, we have invested more than \$150 million in research and development. In 1999, we spent approximately 5.8% of net sales on research and development (including costs associated with customer-specific engineering projects, which are included in cost of sales for financial reporting purposes). Our research and development efforts fall into two categories:

- o technology advancements, which increase the value of our products. These may be in the form of enhanced functionality, new applications for our technologies, more accurate or reliable measurement, additional software capability or automation through robotics or other means
- o cost reductions, which reduce the manufacturing cost of our products through better overall design

We have devoted an increasing proportion of our research and development budget to software development. Software development for weighing applications includes application-specific software, as well as software utilized in sensor mechanisms, displays, and other common components, which can be leveraged across our broad product lines.

We closely integrate research and development with marketing, manufacturing and product engineering. We have over 700 professionals in research and development and product engineering. As part of our research and development activities, we have frequent contact with university experts, industry professionals and the governmental agencies responsible for weights and measures, analytical instruments and metal detectors. In addition, our in-house development is complemented by technology and product development alliances with customers and original equipment manufacturers.

Manufacturing

We manufacture some of our own components, usually components that contain proprietary technology. However, when outside manufacturing is more efficient, we contract with others for certain components and in turn use these components in our own manufacturing processes. We use a wide range of suppliers and we believe our supply arrangements to be adequate. From time to time we rely on a single supplier for all of our requirements of a particular component. Even then, adequate alternative sources are generally available if necessary. Supply arrangements for electronics are generally made globally. For mechanical components, we generally use local sources to optimize materials flow.

We strive to emphasize product quality in our manufacturing operations, and most of our products require very strict tolerances and exact specifications. We use an extensive quality control system that is integrated into each step of the manufacturing process. This integration permits field service technicians to trace important information about the manufacture of a particular unit, which facilitates repair efforts and permits fine-tuning of the manufacturing process. Many of our measuring instruments are subjected to an extensive calibration process that allows the software in the unit to automatically adjust for the impact of temperature and humidity.

We are a worldwide manufacturer, with nine manufacturing plants in the United States, four in Switzerland, two in Germany, two in the United Kingdom, one in France and two in China. Laboratory products are produced mainly in Switzerland and to a lesser extent in the United States and China, while industrial and food retailing products are produced in all six countries. We produce our metal detectors in the United Kingdom. We have manufacturing

expertise in sensor technology, precision machining and electronics, as well as strength in software development. Furthermore, most of our manufacturing facilities have achieved ISO 9001 certification. We believe that our manufacturing capacity is sufficient to meet our present and currently anticipated needs.

Backlog

Manufacturing turnaround time is generally sufficiently short so as to permit us to manufacture to fill orders for most of our products, which helps to limit inventory costs. Backlog is therefore generally a function of requested customer delivery dates and is typically no longer than one to two months.

Employees

As of December 31, 1999, we had approximately 7,900 employees throughout the world, including more than 4,200 in Europe, more than 2,700 in North and South America, and approximately 1,000 in Asia and other countries. We believe our employee relations are good, and we have not suffered any material employee work stoppage or strike during the last five years. Labor unions do not represent a meaningful number of our employees.

In certain of our facilities, we have a flexible workforce environment, in which hours vary depending on the workload. This flexible working environment enhances employees' involvement, thus increasing productivity. It also improves efficient payroll management by permitting us to adjust staffing to match workload to a greater degree without changing the size of the overall workforce.

Intellectual Property

We hold more than 1,100 patents and trademarks, primarily in the United States, Switzerland, Germany, the United Kingdom, France, Japan and China. Our products generally incorporate a wide variety of technological innovations, many of which are protected by patents and many of which are not. Moreover, products are generally not protected as a whole by individual patents. Accordingly, no one patent or group of related patents is material to our business. We also have numerous trademarks, including the Mettler-Toledo name and logo which are material to our business. We regularly protect against infringement of our intellectual property.

Regulation

Our products are subject to various regulatory standards and approvals by weights and measures regulatory authorities. Although there are a large number of regulatory agencies across our markets, there is an increasing trend toward harmonization of standards, and weights and measures regulation is harmonized across the European Union. Our food processing and food retailing products are subject to regulation and approvals by relevant governmental agencies, such as the United States Food and Drug Administration. Products used in hazardous environments may also be subject to special requirements. All of our electrical components are subject to electrical safety standards. We believe that we are in compliance in all material respects with applicable regulations.

Environmental Matters

We are subject to a variety of environmental laws and regulations in the jurisdictions in which we operate, including provisions relating to air emissions, wastewater discharges, the handling and disposal of solid and hazardous wastes and the remediation of contamination associated with the use and disposal of hazardous substances. We wholly or partly own, lease or hold a direct or indirect equity interest in a number of properties and manufacturing facilities around the world, including North and South America, Europe, Australia and China. Like many of our competitors, we have incurred, and will continue to incur, capital and operating expenditures and other costs in complying with such laws and regulations in both the United States and abroad.

We are currently involved in, or have potential liability with respect to, the remediation of past contamination in certain of our facilities in both the United States and abroad. In addition, certain of our present and former facilities have or had been in operation for many decades and, over such time, some of these facilities may have used substances or generated and disposed of wastes which are or may be considered hazardous. It is possible that such sites, as well as disposal sites owned by third parties to which we have sent wastes, may in the future be identified and become the subject of remediation. Accordingly, although we believe that we are in substantial compliance with applicable environmental requirements and to date we have not incurred material expenditures in connection with environmental matters, it is possible that we could become subject to additional environmental liabilities in the future that could result in a material adverse effect on our financial condition or results of operations.

Our operating facility in Landing, New Jersey is the subject of an investigation and clean-up of hazardous substance contamination pursuant to the New Jersey Industrial Site Recovering Act. On or about July 1988, an affiliate of Ciba ("AGP") purchased 100% of the outstanding stock of Metramatic Corporation ("Metramatic"), a manufacturer of checkweighing equipment located in Landing, from GEI International Corporation ("GEI"). GEI agreed to indemnify and hold harmless AGP for certain pre-closing environmental conditions, including those resulting in cleanup responsibilities required by the New Jersey Department of Environmental Protection pursuant to the New Jersey Environmental Cleanup Responsibility Act ("ECRA"). ECRA is now the Industrial Site Recovery Act. Pursuant to a 1988 New Jersey Department of Environmental Protection administrative consent order naming GEI and Metramatic as respondents, GEI has spent approximately \$2 million in the performance of certain investigatory and remedial work addressing groundwater contamination at the site. However, implementation of a final remedy has not yet been completed, and, therefore, future remedial costs are currently unknown. In 1992, GEI filed a suit against various parties including Hi-Speed Checkweigher Co., Inc. ("Hi-Speed"), our wholly owned subsidiary that currently owns the facility, to recover certain costs incurred by GEI in connection with the site. Pursuant to a 2000 settlement agreement, GEI agreed to dismiss the litigation and covenanted not to sue us for investigation, remediation and monitoring costs and natural resource damages associated with contamination at the facility in exchange for our agreement to assign to GEI certain potential insurance recovery rights relating to the facility. Based on currently available information and our settlement agreement with GEI, we believe that costs associated with the future investigation and remediation of this site will not have a material adverse effect on our financial condition or results of operations.

We, or in some cases the former owner of Toledo Scale, have been named a potentially responsible party under CERCLA or analogous state statutes at the following third-party owned sites with respect to the alleged disposal at the sites by Toledo Scale during the period before we

owned it: Granville Solvents Site, Granville, Ohio; Aqua-Tech Environmental, Inc. Site, Greer, South Carolina; and Seaboard Chemical Company Site, Jamestown, North Carolina. Pursuant to the terms of the stock purchase agreement between us and the former owner of Toledo Scale, the former owner is obligated to indemnify us for various environmental liabilities. To date, with respect to each of the foregoing sites, the former owner has undertaken the defense and indemnification of Toledo Scale. Based on currently available information and given our contractual rights of indemnification, we believe that the costs associated with the investigation and remediation of these sites will not have a material adverse effect on our financial condition or results of operations.

Competition

Our markets are highly competitive. Furthermore, weighing instruments markets are fragmented both geographically and by application, particularly the industrial and food retailing weighing instruments market. As a result, we face numerous regional or specialized competitors, many of which are well established in their markets. In addition, some of our competitors are divisions of larger companies with potentially greater financial and other resources than our own. Taken together, the competitive forces present in our markets can impair our operating margins in certain product lines and geographic markets.

We expect our competitors to continue to improve the design and performance of their products and to introduce new products with competitive prices. Although we believe that we have certain technological and other advantages over our competitors, we may not be able to realize and maintain these advantages. In any event, to remain competitive, we must continue to invest in research and development, sales and marketing and customer service and support. We cannot be sure that we will have sufficient resources to continue to make these investments or that we will be successful in identifying, developing and maintaining any competitive advantages.

We believe that the principal competitive factors in our U.S. markets for purchasing decisions are accuracy and durability, while in Europe accuracy and service are the most important factors. In emerging markets, where there is greater demand for less sophisticated products, price is a more important factor than in developed markets. Competition in the United States laboratory market is also influenced by the presence of large distributors that sell not only our products but those of our competitors as well.

ITEM 2. PROPERTIES

The following table lists our principal operating facilities, indicating the location, primary use and whether the facility is owned or leased.

Location -----	Principal Use (1) -----	Owned/Leased -----
Europe:		
Greifensee/Nanikon, Switzerland.....	Production, Corporate Headquarters	Owned
Uznach, Switzerland.....	Production	Owned
Urdorf, Switzerland.....	Production	Owned
Schwerzenbach, Switzerland.....	Production	Leased
Albstadt, Germany.....	Production	Owned
Giesen, Germany.....	Production	Owned
Giessen, Germany.....	Sales and Service	Owned
Steinbach, Germany.....	Sales and Service	Owned
Bethune, France.....	Production	Leased
Viroflay, France.....	Sales and Service	Owned
Beersel, Belgium.....	Sales and Service	Owned
Sint-Michielsgestel, Netherlands.....	Sales and Service	Leased
Tiel, Netherlands.....	Sales and Service	Owned
Leicester, England.....	Sales and Service	Leased
Manchester, England.....	Production, Sales and Service	Leased
Royston, England.....	Production, Sales and Service	Leased
Americas:		
Columbus, Ohio.....	Sales and Service, North American Headquarters	Leased
Worthington, Ohio.....	Production	Owned
Spartanburg, South Carolina.....	Production	Owned
Franksville, Wisconsin.....	Production	Owned
Ithaca, New York.....	Production	Owned
Woburn, Massachusetts.....	Production	Leased
Florham Park, New Jersey.....	Production, Sales and Service	Leased
Millersville, Maryland.....	Production, Sales and Service	Leased
Tampa, Florida.....	Production, Sales and Service	Leased
Vernon Hills, Illinois.....	Production, Sales and Service	Leased
Mexico City, Mexico.....	Sales and Service	Leased
San Paolo, Brazil.....	Production and Sales	Leased
Other:		
Shanghai, China.....	Production	Building Owned; Land Leased
Changzhou, China.....	Production	Building Owned; Land Leased
Melbourne, Australia.....	Sales and Service	Leased
Mumbai, India.....	Production, Sales and Service	Leased

(1) We also conduct research and development activities at certain of the listed facilities in Switzerland, Germany, France, the United Kingdom, the United States and China.

We believe our facilities are adequate for our current and reasonably anticipated future needs.

ITEM 3. LEGAL PROCEEDINGS

Routine litigation is incidental to our business. Nevertheless, we are not currently involved in any legal proceeding which we believe could have a material adverse effect upon our financial condition or results of operations. See "Environmental Matters" under Part I, Item 1 for information concerning legal proceedings relating to certain environmental claims.

Our products generally are sold with a limited warranty for defects. We have reviewed our products currently in use by customers or being sold and do not believe that we will have material increase in warranty or product liability claims arising out of Year 2000 non-compliance. However, any material increase in these claims could harm our results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER

MATTERS

MARKET INFORMATION FOR COMMON STOCK

Our common stock is traded on the New York Stock Exchange under the symbol "MTD". The following table sets forth on a per share basis the high and low sales prices for consolidated trading in our common stock as reported on the New York Stock Exchange Composite Tape for the quarters indicated.

		Common Stock Price Range -----	
	High -----		Low ---
1999			
First Quarter	\$27 15/16		\$19 5/8
Second Quarter	\$29		\$22 5/8
Third Quarter	\$30 7/16		\$23 13/16
Fourth Quarter	\$39 1/2		\$27 5/8
1998			
First Quarter	\$22 3/8		\$16 9/16
Second Quarter	\$22 1/4		\$18
Third Quarter	\$22 11/16		\$16 1/4
Fourth Quarter	\$28 15/16		\$16 3/4

HOLDERS

At March 7, 2000 there were 391 holders of record of common stock and 38,712,272 shares of common stock outstanding. The number of holders of record excludes beneficial owners of common stock held in street name.

DIVIDEND POLICY

We have never paid any dividends on our common stock and we do not anticipate paying any cash dividends on the common stock in the foreseeable future. The current policy of our Board of Directors is to retain earnings to finance the operations and expansion of our business. Moreover, our credit agreement restricts our ability to pay dividends. Any future determination to pay dividends will depend on our results of operations, financial condition, capital requirements, contractual restrictions and other factors deemed relevant by our Board of Directors.

ITEM 6. SELECTED FINANCIAL DATA

The selected historical financial information set forth below at December 31, 1999, 1998, 1997, 1996 and 1995, for the years ended December 31, 1999, 1998 and 1997, for the period from October 15, 1996 to December 31, 1996, for the period from January 1, 1996 to October 14, 1996 and for the year ended December 31, 1995 is derived from our consolidated financial statements. The financial information for all periods prior to October 15, 1996, the date of our acquisition from Ciba-Geigy (the "Acquisition"), is combined financial information of the Mettler-Toledo group of companies (the "Predecessor Business"). The combined historical data of the Predecessor Business and the consolidated historical data of the Company are not comparable in many respects due to the Acquisition and the Safeline acquisition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and accompanying notes. The financial information presented below, in thousands except per share data, was prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

	Mettler-Toledo International Inc.				Predecessor Business	
	Year ended December 31, 1999	Year ended December 31, 1998	Year ended December 31, 1997	October 15 to December 31, 1996	January 1 to October 14, 1996	Year ended December 31, 1995
Statement of Operations Data:						
Net sales.....	\$1,065,473	\$935,658	\$878,415	\$186,912	\$662,221	\$850,415
Cost of sales.....	585,007(a)	520,190	493,480(c)	136,820(f)	395,239	508,089
Gross profit.....	480,466	415,468	384,935	50,092	266,982	342,326
Research and development.....	57,393	48,977	47,551	9,805	40,244	54,542
Selling, general and administrative.....	300,389	265,511	260,397	59,353	186,898	248,327
Amortization.....	10,359	7,634	6,222	1,065	2,151	2,765
Purchased research and development.....	-	9,976(b)	29,959(d)	114,070(g)	-	-
Interest expense.....	21,980	22,638	35,924	8,738	13,868	18,219
Other charges (income), net (h).....	10,468	1,197	10,834	17,137	(1,332)	(9,331)
Earnings (loss) before taxes, minority interest and extraordinary items.....	79,877	59,535	(5,952)	(160,076)	25,153	27,804
Provision for taxes.....	31,398	20,999	17,489	(938)	10,055	8,782
Minority interest.....	378	911	468	(92)	637	768
Earnings (loss) before extraordinary items.....	48,101	37,625	(23,909)	(159,046)	14,461	18,254
Extraordinary items - debt extinguishments.....	-	-	(41,197)(e)	-	-	-
Net earnings (loss).....	\$48,101	\$37,625	\$(65,106)	\$(159,046)	\$14,461	\$18,254
Basic earnings (loss) per common share:						
Net earnings (loss) before extraordinary items.....	\$ 1.25	\$ 0.98	\$ (0.76)	\$ (5.18)		
Extraordinary items.....	-	-	(1.30)	-		
Net earnings (loss).....	\$ 1.25	\$ 0.98	\$ (2.06)	\$ (5.18)		
Weighted average number of common shares	38,518,084	38,357,079	31,617,071	30,686,065		
Diluted earnings (loss) per common share:						
Net earnings (loss) before extraordinary items.....	\$ 1.16	\$ 0.92	\$ (0.76)	\$ (5.18)		
Extraordinary items.....	-	-	(1.30)	-		
Net earnings (loss).....	\$ 1.16	\$ 0.92	\$ (2.06)	\$ (5.18)		
Weighted average number of common shares	41,295,757	40,682,211	31,617,071	30,686,065		
Balance Sheet Data (at end of period):						
Cash and cash equivalents.....	\$ 17,179	\$ 21,191	\$ 23,566	\$ 60,696		\$ 41,402
Working capital.....	81,470	90,042	79,163	103,697		136,911
Total assets.....	820,973	820,441	749,313	771,888		724,094
Long-term third party debt.....	249,721	340,246	340,334	373,758		3,621
Net borrowings from Ciba and affiliates (i).....	-	-	-	-		203,157
Other non-current liabilities (j).....	100,334	103,201	91,011	96,810		84,303
Shareholders' equity (k).....	112,015	53,835	25,399	12,426		193,254

(Footnotes on next page)

(Footnotes from previous page)

- (a) In connection with acquisitions in 1999, including the acquisition of the Testut-Lutrana group, we allocated \$998 of the purchase price to revalue certain inventories (principally work-in-progress and finished goods) to fair value (net realizable value). Substantially all such inventories were sold during the second quarter of 1999.
- (b) In connection with the Bohdan acquisition, we allocated, based upon independent valuations, \$9,976 of the purchase price to purchased research and development in process. This amount was recorded as an expense immediately following the Bohdan acquisition.
- (c) In connection with the Safeline acquisition, we allocated \$2,054 of the purchase price to revalue certain inventories (principally work-in-progress and finished goods) to fair value (net realizable value). Substantially all such inventories were sold during the second quarter of 1997.
- (d) In connection with the Safeline acquisition, we allocated, based upon independent valuations, \$29,959 of the purchase price to purchased research and development in process. This amount was recorded as an expense immediately following the Safeline acquisition.
- (e) Represents charges for the write-off of capitalized debt issuance fees and related expenses associated with our previous credit facilities. The amount for the year ended December 31, 1997 also includes the prepayment premium on the senior subordinated notes which were repurchased and the write-off of the related capitalized debt issuance fees.
- (f) In connection with the Acquisition, we allocated \$32,194 of the purchase price to revalue certain inventories (principally work-in-progress and finished goods) to fair value (net realizable value). Substantially all such inventories were sold during the period October 15, 1996 to December 31, 1996.
- (g) In connection with the Acquisition, we allocated, based upon independent valuations, \$114,070 of the purchase price to purchased research and development in process. This amount was recorded as an expense immediately following the Acquisition.
- (h) Other charges (income), net generally includes interest income, foreign currency transactions, (gains) losses from sales of assets and other items. For the years ended December 31, 1999 and 1998, the amount shown includes \$825 and \$650, respectively, of expenses incurred on behalf of certain selling shareholders in connection with the secondary offerings. The 1999 amount also includes a gain on an asset sale of approximately \$3,100, a charge of \$8,007 to transfer production lines from the Americas to China and Europe and the closure of facilities and losses of approximately \$4,100 in connection with the exit from our glass batching business based in Belgium. For the year ended December 31, 1997, the amount shown includes a restructuring charge of \$6,300 to consolidate three facilities in North America.
- (i) Includes notes payable and long-term debt payable to Ciba and affiliates less amounts due from Ciba and affiliates.
- (j) Consists primarily of obligations under various pension plans and plans that provide post-retirement medical benefits. See Note 12 to the audited consolidated financial statements included herein.
- (k) Shareholders' equity for the Predecessor Business consists of the combined net assets of the Mettler-Toledo group of companies.

ITEM 7. 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 our audited consolidated financial statements.

Overview

We operate a global business, with net sales that are diversified by geographic region, product range and customer. We hold leading positions in many of our markets and attribute this leadership to several factors, including the strength of our brand name, the quality of our global sales and service network, our continued investment in product development, our pursuit of technology leadership and our focus on capitalizing on opportunities in developed and emerging markets.

Our financial information is presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Financial results following our initial public offering in November 1997 and the Safeline acquisition in May 1997 are not comparable in many respects to the financial results prior to those events.

In 1999, we attained two important financial milestones. Our net sales exceeded \$1 billion and our total debt was reduced below \$300 million, despite spending approximately \$175 million on acquisitions in the last three years.

Net sales in local currency increased 16% in 1999, 8% in 1998 and 11% in 1997. The strengthening of the U.S. dollar versus our major trading currencies reduced U.S. dollar - reported sales growth in each year. Net sales in U.S. dollars increased 14% in 1999, 7% in 1998 and 3% in 1997.

In 1999, we had solid local currency sales growth of 19% in Europe, 15% in the Americas and 11% in Asia and other markets. We believe our sales growth over the next several years will come primarily from (i) the needs of our lab and industrial customers in developed markets to continue to automate their research and development and manufacturing processes, (ii) the needs of our retail customers in Europe to upgrade their scales for the implementation of the euro, (iii) the needs of our retail customers to implement sophisticated perishable goods management systems using weighing and PC technology in a networked environment, (iv) the needs of customers in emerging markets to continue modernizing research and development and manufacturing processes through the use of increasingly sophisticated instruments and (v) acquisition opportunities.

We increased our gross profit margin before non-recurring acquisition costs from 44.1% in 1997 to 45.2% in 1999 and increased our Adjusted Operating Income (gross profit less research and development and selling, general and administrative expenses before amortization and non-recurring costs) as a percentage of net sales from 9.3% in 1997 to 11.6% in 1999.

This improved performance was achieved while we continued to invest in product development and in our distribution and manufacturing infrastructure. We believe that a significant portion of the increases in our Adjusted Operating Income resulted from our strategy to reduce costs, re-engineer our operations and focus on the highest value-added segments of the markets in which we compete.

Recent Acquisitions

In May 1999, we completed the acquisition of the Testut-Lutrana group, a leading manufacturer and marketer of industrial and retail weighing instruments in France, with annual sales of approximately \$50 million. We believe this acquisition is an excellent strategic fit given Testut-Lutrana's extensive sales and service network in France and excellent brand recognition. By virtue of this acquisition, we have assumed the leading position in food retail weighing in Europe and are well positioned to meet the rapidly changing demands of our European customer base.

In April 1999, we announced that we had signed an agreement to convert our 60% joint venture in Changzhou, China, into a legal structure that provides us with full control. Through this change in ownership, we will be able to fully leverage this low-cost manufacturing base for international markets. This move further demonstrates our strategic commitment to Asia and our belief in the fundamental growth factors for the region.

In 1998, we decided to pursue opportunities in the automated drug and chemical compound discovery and development market, and build on our leadership position as a provider of automated lab reactors and reaction calorimeters.

In December 1998, we announced that we had acquired two technologically advanced instrument companies, Applied Systems and Myriad Synthesizer Technology. Applied Systems designs, assembles and markets instruments for in-process molecular analysis, which is primarily used for researching, developing and monitoring chemical processes. Applied Systems' proprietary sensors, together with its innovative Fourier transform infrared technology, enable chemists to analyze chemical reactions as they occur, which is more efficient than pulling samples. Myriad Synthesizer Technology designs, assembles and markets instruments that facilitate and automate the synthesis of large numbers of chemical compounds in parallel, which is a key step in the chemical compound discovery process. Its products can be used in all stages of synthesis in drug discovery.

In July 1998, we also extended our product offerings to the automated drug and chemical compound discovery market with our acquisition of Bohdan Automation Inc. Bohdan is a leading supplier of laboratory automation and automated synthesis products used in research for life science applications for pharmaceutical and agricultural products and in other applications in the food and chemicals industries.

These acquisitions enable us to offer a strong and comprehensive array of solutions, from sample preparation to compound synthesis to process development. We believe that our customers want solutions in this market from a company like Mettler-Toledo, with a reputation for innovation and quality and with a global presence and service network.

Secondary Offerings and IPO

In 1999 and 1998, certain selling shareholders completed secondary offerings totalling 6,099,250 and 11,464,400 shares, respectively, of our common stock, including the underwriters' over-allotment options. No directors, executive officers or other employees sold shares, and we did not sell shares or receive proceeds in the offerings. We incurred charges of \$0.8 million and \$0.7 million in connection with the offerings during 1999 and 1998, respectively.

During the fourth quarter of 1997, we completed our initial public offering of 7,666,667 shares of common stock at a per share price of \$14.00. The offering raised net proceeds, after underwriters' commission and expenses, of approximately \$97.3 million. Concurrently with the offering, we refinanced our existing credit facility by entering into a new credit facility, borrowings from which, along with the proceeds from the offering, were used to repay substantially all of our then-existing debt, including all of our 9 3/4% senior subordinated notes due 2006. In connection with this refinancing, we recorded an extraordinary charge of \$31.6 million, net of tax, principally for prepayment premiums on certain debt repaid and for the write-off of existing deferred financing fees. We also paid a one-time termination fee of \$2.5 million in connection with the termination of our management services agreement with AEA Investors Inc.

Cost Reduction Programs

As part of our efforts to reduce costs, we evaluate from time to time the cost effectiveness of our global manufacturing strategy. Over the next few years, we intend to continue to develop China as a low-cost manufacturing resource and to seek other manufacturing cost-saving opportunities. In this respect, we recorded a charge of \$8.0 million in 1999 associated with the transfer of production lines from the Americas to China and Europe and the closure of facilities. We believe that the future cash benefits of these programs will exceed the costs, although the cash outflows will precede the cash flow benefits. The charge relates primarily to severance and other related benefits and costs of exiting facilities, including lease termination costs and the write-down of impaired assets.

An initiative that we launched in 1999 is a worldwide procurement project. The project is intended to eliminate price differences between units, leverage potential opportunities to increase buying power, and work to establish worldwide sourcing arrangements. We envision it will take at least two years to obtain benefits from this project. It is too early to determine the potential cost savings.

During 1999, we also exited our glass batching business based in Belgium. In this respect, we incurred losses of \$4.1 million during 1999 primarily for severance and other costs of exiting this business. We completed our exit of the glass batching business by the end of 1999.

Results of Operations

The following table sets forth certain items from our consolidated statements of operations for the years ended December 31, 1999, 1998 and 1997. The consolidated statement of operations data, in thousands, for the year ended December 31, 1997 includes Safeline results from May 31, 1997.

	1999 (a)	1998 (b)	1997 (c) (d)
	-----	-----	-----
Net sales.....	\$1,065,473	\$935,658	\$878,415
Cost of sales.....	585,007	520,190	493,480
	-----	-----	-----
Gross profit.....	480,466	415,468	384,935
Research and development.....	57,393	48,977	47,551
Selling, general and administrative....	300,389	265,511	260,397
Amortization.....	10,359	7,634	6,222
Purchased research and development.....	-	9,976	29,959
Interest expense.....	21,980	22,638	35,924
Other charges, net(e).....	10,468	1,197	10,834
	-----	-----	-----
Earnings (loss) before taxes, minority interest and extraordinary items	\$ 79,877	\$ 59,535	\$ (5,952)
	=====	=====	=====
Adjusted Operating Income(f).....	\$ 123,682	\$ 100,980	\$ 81,541
	=====	=====	=====

(a) In connection with acquisitions in 1999, including the acquisition of the Testut-Lutrana group, we allocated \$998 of the purchase price to revalue certain inventories (principally work-in-progress and finished goods) to fair value (net realizable value). Substantially all such inventories were sold during the second quarter of 1999.

(b) In connection with the Bohdan acquisition, we allocated, based upon independent valuations, \$9,976 of the purchase price to purchased research and development in process. This amount was recorded as an expense immediately following the Bohdan acquisition.

(c) In connection with the Safeline acquisition, we allocated \$2,054 of the purchase price to revalue certain inventories (principally work-in-progress and finished goods) to fair value (net realizable value). Substantially all such inventories revalued in connection with the Safeline acquisition were sold in the second quarter of 1997.

(d) In connection with the Safeline acquisition, we allocated, based upon independent valuations, \$29,959 of the purchase price to purchased research and development in process. This amount was recorded as an expense immediately following the Safeline acquisition.

(e) Other charges, net generally includes interest income, foreign currency transactions, (gains) losses from sales of assets and other items. For the years ended December 31, 1999 and 1998, the amount shown includes \$825 and \$650, respectively, of expenses incurred on behalf of certain selling shareholders in connection with the secondary offerings. The 1999 amount also includes a gain on an asset sale of approximately \$3,100, a charge of \$8,007 to transfer production lines from the Americas to China and Europe and the closure of facilities and losses of approximately \$4,100 in connection with the exit from our glass batching business based in Belgium. For the year ended December 31, 1997, the amount shown includes a charge of \$6,300 to consolidate three facilities in North America.

(f) Adjusted Operating Income is defined as operating income (gross profit less research and development and selling, general and administrative expenses) before amortization and non-recurring costs. Non-recurring costs which have been excluded are the costs set forth in Notes (a) and (c) above. Non-recurring costs for the year ended December 31, 1997 also include a charge of \$2,500 in connection with the termination of our management services agreement with AEA Investors Inc. We believe that Adjusted Operating Income provides important financial information in measuring and comparing our operating performance. 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 (loss) as an indicator of our operating performance.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

Net sales were \$1,065.5 million for the year ended December 31, 1999, compared to \$935.7 million in the prior year. This reflected an increase of 16% in local currencies during 1999. Results for 1999 were negatively impacted by the strengthening of the U.S. dollar against other currencies. Net sales in U.S. dollars during 1999 increased 14%.

Net sales by geographic customer location were as follows: Net sales in Europe increased 19% in local currencies during 1999, versus the prior year. The increase largely reflected the effect of Testut-Lutrana, as well as organic growth in our business. Net sales in local currencies during 1999 in the Americas increased 15% principally due to organic growth in our business, as well as the effect of businesses acquired. Net sales in Asia and other markets increased 11% in local currencies during 1999. The results of our business in Asia and other markets during 1999 primarily represented improved economic conditions throughout the region, which began in the fourth quarter of 1998.

The operating results for Testut-Lutrana (which were included in our results from May 1, 1999) would have had the effect of increasing our net sales by an additional \$38.8 million in 1998, if included from May 1, 1998.

Gross profit as a percentage of net sales increased to 45.2% for 1999, compared to 44.4% for 1998, before non-recurring acquisition costs.

Research and development expenses as a percentage of net sales increased to 5.4% for 1999, compared to 5.2% for the prior year. The increase primarily reflected increased research and development activity related to product introductions, as well as the effect of acquired businesses.

Selling, general and administrative expenses as a percentage of net sales decreased to 28.2% for 1999, compared to 28.4% for the prior year.

Adjusted Operating Income increased 22.5% to \$123.7 million, or 11.6% of sales, for 1999, compared to \$101.0 million, or 10.8% of sales, for the prior year. The 1999 period excludes the previously noted non-recurring acquisition charge of \$1.0 million for the revaluation of inventories to fair value. The increased operating margin reflected the benefits of higher sales levels and our continuous efforts to improve productivity.

Interest expense decreased to \$22.0 million for 1999, compared to \$22.6 million for the prior year. The decrease was principally due to reduced debt levels.

Other charges, net were \$10.5 million for 1999, compared to other charges, net of \$1.2 million for the prior year. The 1999 and 1998 amounts included charges of \$0.8 million and \$0.7 million relating to the secondary offerings completed in 1999 and 1998, respectively. The 1999 amount also included a gain on an asset sale of \$3.1 million, charges of \$8.0 million regarding the transfer of production lines from the Americas to China and Europe and the closure of facilities and losses of \$4.1 million to exit our glass batching business based in Belgium. The 1998 amount also included gains on asset sales offset by other charges.

Our tax rate in 1999 before non-recurring items was consistent with the prior year, excluding a benefit of approximately 5 percentage points or \$3.6 million based upon a one-time change in Swiss tax law which benefited only the 1998 period. The 1998 period also included

non-deductible purchased research and development charges incurred in connection with the Bohdan acquisition.

Net earnings before expenses for the secondary offerings, acquisition charges and the \$8.0 million charge to transfer production lines from the Americas to China and Europe and the closure of facilities were \$57.9 million in 1999, compared to \$48.3 million in 1998. This represents an increase of almost 30%, excluding the one-time tax benefit of \$3.6 million received in 1998.

Year Ended December 31, 1998 Compared to Year Ended December 31, 1997

Net sales were \$935.7 million for the year ended December 31, 1998, compared to \$878.4 million in the prior year. This reflected an increase of 8% in local currency (6% including Safeline for full year 1997) during 1998. Results for 1998 were negatively impacted by the strengthening of the U.S. dollar against other currencies. Net sales in U.S. dollars during 1998 increased 7%.

Net sales in Europe increased 10% in local currencies during 1998, versus the prior year. We experienced favorable sales trends during 1998 in Europe, which began in the second half of 1997, as a result of the strengthening of the European economy. Net sales in local currencies during 1998 in the Americas also increased 10% due to improved market conditions across most product lines, offset in part by weakness in Latin America. Net sales in local currencies in 1998 in Asia and other markets decreased 4%. The sales decline in Asia during 1998 results in part from a decline in net sales in Southeast Asia and Korea. In addition, during the second half of 1998 we also experienced a decline in net sales in Japan. Our sales and operating results in Asia and other emerging markets deteriorated due to poor economic conditions. These results in U.S. dollar terms were also affected by severe currency devaluations. We believe that our sales growth on a U.S. dollar basis was reduced by 1 to 2 percentage points during 1998 as a result of these poor economic conditions and devaluations.

The operating results for Safeline (which were included in our results from May 31, 1997) would have had the effect of increasing our net sales by an additional \$19.0 million in 1997, if included from January 1, 1997. Additionally, Safeline's operating results during the same period would have increased our Adjusted Operating Income (gross profit less research and development and selling, general and administrative expenses before amortization and non-recurring costs) by \$4.4 million.

Gross profit as a percentage of net sales increased to 44.4% for 1998, compared to 44.1% for 1997, before non-recurring acquisition costs. The 1997 period excludes a \$2.1 million non-cash charge associated with the excess of fair value over historical cost for inventories acquired in the Safeline acquisition.

Research and development expenses as a percentage of net sales decreased to 5.2% for 1998, compared to 5.4% for the prior year. However, the local currency spending level remained relatively constant for the year.

In July 1998, we acquired Bohdan Automation Inc., a leading supplier of laboratory automation and automated synthesis products. We incurred a charge of \$10.0 million immediately following the acquisition based upon an independent valuation for purchased research and development costs for products being developed that had not established

technological feasibility as of the date of the acquisition and, if unsuccessful had no alternative future use.

Selling, general and administrative expenses as a percentage of net sales decreased to 28.4% for 1998, compared to 29.6% for the prior year. This decrease primarily reflected the benefits of ongoing cost-efficiency programs.

Adjusted Operating Income was \$101.0 million, or 10.8% of sales, for 1998, compared to \$81.5 million, or 9.3% of sales, for the prior year, an increase of 23.8%. The 1997 period excludes the previously noted charge of \$2.1 million for the revaluation of inventories to fair value in connection with the Safeline acquisition and \$2.5 million in connection with the termination of our management services agreement with AEA Investors Inc. at the time of our initial public offering.

Interest expense decreased to \$22.6 million for 1998, compared to \$35.9 million for the prior year. The decrease was principally due to benefits received from our initial public offering, the refinancing completed at that time and cash flow provided by operations.

Other charges, net were \$1.2 million for 1998, compared to other charges, net of \$10.8 million for the prior year. The 1998 amount includes a one-time charge of \$0.7 million relating to the secondary offering completed in July 1998. The 1998 amount also includes gains on asset sales offset by other charges. The 1997 period includes restructuring related charges of \$6.3 million and other charges of \$3.5 million (\$2.9 million after tax) relating to (i) certain derivative financial instruments acquired in 1996 and closed in 1997 and (ii) foreign currency exchange losses resulting from certain unhedged bank debt denominated in foreign currencies. Such derivative financial instruments and such unhedged bank debt are no longer held pursuant to current Company policy.

The tax rate for 1998 included a benefit of approximately 5 percentage points based upon a one-time change in Swiss tax law which benefited only the 1998 period. The 1998 period also reflects efficiencies in our global tax structure, offset by the non-deductibility of purchased research and development charges incurred in connection with the Bohdan acquisition.

The extraordinary loss of \$41.2 million in 1997 represents charges for the early repayment premium on our senior subordinated notes and the write-off of capitalized debt issuance fees and related expenses associated with our senior subordinated notes and previous credit facilities.

Net earnings excluding the expenses for purchased research and development and the secondary offering were \$48.3 million in 1998, compared with net earnings before non-recurring items of \$19.1 million in 1997. Such non-recurring items in 1997 include the previously mentioned charges for purchased research and development, the revaluation of inventories to fair value, the termination fee paid to AEA Investors Inc., restructuring charges, losses relating to derivative financial instruments and unhedged bank debt denominated in foreign currencies, and extraordinary items related to debt extinguishments.

Liquidity and Capital Resources

At December 31, 1999, our consolidated debt, net of cash, was \$279.4 million. We had borrowings of \$280.4 million under our credit agreement and \$16.2 million under various other arrangements as of December 31, 1999. Of our credit agreement borrowings, approximately \$153.1 million was borrowed as term loans scheduled to mature in 2004 and \$127.3 million was borrowed under a multi-currency revolving credit facility. At December 31, 1999, we had \$277.0 million of availability remaining under the revolving credit facility.

At December 31, 1999, approximately \$96.5 million of the borrowings under the credit agreement and local working capital facilities were denominated in U.S. dollars. The balance of the borrowings under the credit agreement and local working capital facilities were denominated in certain of our other principal trading currencies amounting to approximately \$200.1 million at December 31, 1999. Changes in exchange rates between the currencies in which we generate cash flow 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.

Under the credit agreement, amounts outstanding under the term loans are payable in quarterly installments. In addition, the credit agreement obligates us to make mandatory prepayments in certain circumstances with the proceeds of asset sales or issuance of capital stock or indebtedness and with certain excess cash flow. The credit agreement imposes certain restrictions on us and our subsidiaries, including restrictions and limitations on the ability to pay dividends to our shareholders, incur indebtedness, make investments, grant liens, sell financial assets and engage in certain other activities. We must also comply with several financial covenants. The credit agreement is secured by most of our assets.

Cash provided by operating activities totaled \$91.3 million in 1999, compared to \$72.0 million in 1998 and \$55.6 million in 1997. The increase resulted principally from improved Adjusted Operating Income.

During 1999, we spent approximately \$20.5 million on acquisitions, including approximately \$2.0 million of working capital retained by sellers. These purchases were funded from cash generated from operations and additional borrowings. We continue to explore potential acquisitions. In connection with any acquisition, we may incur additional indebtedness. In addition, we expect to make additional earn-out payments in 2000 relating to certain of our 1998 drug discovery acquisitions.

Capital expenditures are a significant use of funds and are made primarily for machinery, equipment and the purchase and expansion of facilities. Our capital expenditures totaled \$29.2 million in 1999, \$28.6 million in 1998 and \$22.3 million in 1997. We do not expect the level of our capital expenditure increases in 2000 to be significantly different than historical increases.

We currently believe that cash flow from operating activities, together with borrowings available under the credit agreement and local working capital facilities, will be sufficient to fund currently anticipated working capital needs and capital spending requirements as well as debt service requirements for at least several years, but there can be no assurance that this will be the case.

Effect of Currency on Results of Operations

Because we conduct operations in many countries, our operating income can be significantly affected by fluctuations in currency exchange rates. Swiss franc-denominated expenses represent a much greater percentage of our operating expenses than Swiss franc-denominated sales represent of our net sales. In part, this is because most of our manufacturing costs in Switzerland relate to products that are sold outside of Switzerland. Moreover, a substantial percentage of our research and development expenses and general and administrative expenses are incurred in Switzerland. Therefore, if the Swiss franc strengthens against all or most of our major trading currencies (e.g., the U.S. dollar, the euro, other major European currencies and the Japanese yen), our operating profit is reduced. We also have significantly more sales in European currencies (other than the Swiss franc) than we have expenses in those currencies. Therefore, when European currencies weaken against the U.S. dollar and the Swiss franc, it also decreases our operating profits. In recent years, the Swiss franc and other European currencies have generally moved in a consistent manner versus the U.S. dollar. Therefore, because the two effects previously described have offset each other, our operating profits have not been materially affected by movements in the U.S. dollar exchange rate versus European currencies. However, there can be no assurance that these currencies will continue to move in a consistent manner in the future. 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.

Year 2000

We put in place detailed programs to address Year 2000 readiness internally and with certain suppliers. The Year 2000 issue is the result of computer logic that was written using two digits rather than four to define the applicable year. Any computer logic that processes date-sensitive information may recognize dates using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system or equipment failures.

Pursuant to our readiness programs, all major categories of information technology systems and non-information technology systems (e.g., equipment with embedded microprocessors) in use by us, including manufacturing, sales, financial and human resources, were inventoried and assessed. We also reviewed our products, including products sold in recent years, and believe that our products are Year 2000 compliant. We believe that all internal mission-critical information technology and non-information technology systems are Year 2000 compliant.

We have not experienced any significant Year 2000 problems to date. While we believe that the identification of significant Year 2000 issues is unlikely at this time, there is an ongoing risk that Year 2000 related problems could still occur and we will continue to monitor the situation closely.

The costs incurred to date related to our Year 2000 activities have not been material. We do not expect to realize a significant reduction in related expenditures now that the work on Year 2000 compliance is complete.

European Economic and Monetary Union

Within Europe, the European Economic and Monetary Union (the "EMU") introduced a new currency, the euro, on January 1, 1999. Switzerland is not part of the EMU.

On January 1, 1999, the participating countries adopted the euro as their local currency, initially available for currency trading on currency exchanges and noncash (banking) transactions. The existing local currencies, or legacy currencies, will remain legal tender through January 1, 2002. Beginning on January 1, 2002, euro-denominated bills and coins will be issued for cash transactions. For a period of six months from this date, both legacy currencies and the euro will be legal tender. On or before July 1, 2002, the participating countries will withdraw all legacy currency and use exclusively the euro.

We have recognized the introduction of the euro as a significant event with potential implications for existing operations. Currently, we operate in all of the participating countries in the EMU. We expect nonparticipating European Union countries, where we also have operations, may eventually join the EMU.

We have committed resources to conduct risk assessments and to take corrective actions, where required, to ensure we are prepared for the introduction of the euro. We have undertaken a review of the euro implementation and have concentrated on areas such as operations, finance, treasury, legal, information management, procurement and others, both in participating and nonparticipating European Union countries where we operate. Also, existing legacy accounting and business systems and other business assets have been reviewed for euro compliance, including assessing any risks from third parties. Progress regarding euro implementation is reported periodically to management.

Because of the staggered introduction of the euro regarding non-cash and cash transactions, we have developed our plans to address our accounting and business systems first and our business assets second. We were euro compliant within our accounting and business systems by the end of 1999 and expect to be compliant within our other business assets prior to the introduction of the euro bills and coins. Compliance in participating and nonparticipating countries will be achieved primarily through upgraded systems, which were previously planned to be upgraded. Remaining systems will be modified to achieve compliance. We do not currently expect to experience any significant operational disruptions or to incur any significant costs, including any currency risk, which could materially affect our liquidity or capital resources. We are preparing plans to address issues within the transitional period when both legacy and euro currencies may be used.

We are reviewing our pricing strategy throughout Europe due to the increased price transparency created by the euro and are attempting to adjust prices in some of our markets. We are also encouraging our suppliers, even in Switzerland, to commence transacting in the euro. We do not believe that the effect of these adjustments will be material.

We have a disproportionate amount of our costs in Swiss francs relative to sales. Historically, the potential currency impact has been muted because currency fluctuations between the Swiss franc and other major European currencies have been minimal and there is greater balance between total European (including Swiss) sales and costs. However, if the introduction of the euro results in a significant weakening of the euro against the Swiss franc, our financial performance could be harmed.

The statements set forth herein concerning the introduction of the euro which are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. In particular, the costs associated with our euro programs and the time-frame in which we plan to complete euro modifications are based upon management's best estimates. These estimates were derived from internal assessments and assumptions of future events. There can be no guarantee that any estimates or other forward-looking statements will be achieved, and actual results could differ significantly from those contemplated.

Taxes

We are subject to taxation in many jurisdictions throughout the world. Our effective tax rate and tax liability will be affected by a number of factors, such as the amount of taxable income in particular jurisdictions, the tax rates in such jurisdictions, tax treaties between jurisdictions, the extent to which we transfer funds between jurisdictions and repatriate income, and changes in law. Generally, the tax liability for each legal entity is determined either (i) on a non-consolidated/combined basis or (ii) on a consolidated/combined basis only with other eligible entities subject to tax in the same jurisdiction, in either case without regard to the taxable losses of non-consolidated/combined affiliated entities. As a result, we may pay income taxes to certain jurisdictions even though on an overall basis we incur a net loss for the period.

Environmental Matters

We are subject to various environmental laws and regulations, including those relating to air emissions, wastewater discharges, the handling and disposal of solid and hazardous wastes and the remediation of contamination associated with the use and disposal of hazardous substances.

We incur capital and operating expenditures in complying with environmental laws and regulations both in the United States and abroad. We are currently involved in, or have potential liability with respect to, the remediation of past contamination in facilities both in the United States and abroad. In addition, some of these facilities have or had been in operation for many decades and may have used substances or generated and disposed of wastes that are hazardous or may be considered hazardous in the future. Such sites and disposal sites owned by others to which we sent waste may in the future be identified as contaminated and require remediation. Accordingly, it is possible that we could become subject to additional environmental liabilities in the future that may harm our results of operations or financial condition. However, we do not anticipate any material adverse effect on our results of operations or financial condition as a result of future costs of environmental compliance.

Inflation

Inflation can affect the costs of goods and services that we use. The competitive environment in which we operate limits somewhat our ability to recover higher costs through increased selling prices. Moreover, there may be differences in inflation rates between countries in which we incur the major portion of our costs and other countries in which we sell products, which may limit our ability to recover increased costs. We remain committed to operations in China, Latin America and Eastern Europe, which have experienced inflationary conditions. To date, inflationary conditions have not had a material effect on our operating results. However, if

our presence in China, Latin America and Eastern Europe increases, these inflationary conditions could have a greater impact on our operating results.

Seasonality

Our business has historically experienced a slight amount of seasonal variation, with sales in the first quarter slightly lower than, and sales in the fourth quarter slightly higher than, sales in the second and third quarters. This trend has a somewhat greater effect on income from operations than on net sales because fixed costs are spread evenly across all quarters.

Quantitative and Qualitative Disclosures About Market Risk

We have only limited involvement with derivative financial instruments and do not use them for trading purposes.

We have entered into foreign currency forward contracts to hedge short-term intercompany balances with our foreign businesses. Such contracts limit our exposure to both favorable and unfavorable currency fluctuations. A sensitivity analysis to changes in the U.S. dollar and Swiss franc on these foreign currency-denominated contracts indicates that if the U.S. dollar and Swiss franc uniformly weakened by 10% against all of our currency exposures, the fair value of these instruments would decrease by \$3.7 million at December 31, 1999 as compared with \$2.6 million at December 31, 1998. Any resulting changes in fair value would be offset by changes in the underlying hedged balance sheet position. The sensitivity analysis assumes a parallel shift in foreign currency exchange rates. The assumption that exchange rates change in parallel fashion may overstate the impact of changing exchange rates on assets and liabilities denominated in a foreign currency. We also have other currency risks as described under "Effect of Currency on Results of Operations."

We have entered into certain interest rate swap agreements in order to limit our exposure to increases in interest rates. These contracts are more fully described in Note 5 to our audited consolidated financial statements. Based on our agreements outstanding at December 31, 1999, a 100 basis point increase in interest rates would result in an increase in the net aggregate market value of these instruments of \$9.4 million, as compared with \$8.2 million at December 31, 1998. Conversely, a 100 basis point decrease in interest rates would result in a \$9.4 million net reduction in the net aggregate market value of these instruments, as compared with \$8.8 million at December 31, 1998. Any change in fair value would not affect our Consolidated Statement of Operations unless such agreements and the variable rate debt they hedge were prematurely settled.

We have designated certain of our Swiss franc debt as a hedge of our net investments. A sensitivity analysis to changes in the U.S. dollar on such debt at December 31, 1999 indicates that if the U.S. dollar weakened by 10% against the Swiss franc, the fair value of such debt would increase by \$14.7 million as compared with \$26.2 million at December 31, 1998. Any changes in fair value of the debt are recorded in comprehensive income and offset the impact on comprehensive income of foreign exchange changes on the net investments which they hedge.

New Accounting Standards

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging

Activities." This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. We have not determined the effect of the adoption of this statement.

Forward-Looking Statements and Associated Risks

This annual report includes forward-looking statements based on our current expectations and projections about future events, including: strategic plans; potential growth, including penetration of developed markets and opportunities in emerging markets; planned product introductions; planned operational changes and research and development efforts; euro conversion issues; future financial performance, including expected capital expenditures; research and development expenditures; estimated proceeds from and the timing of asset sales; potential acquisitions; future cash sources and requirements; and potential cost savings from planned employee reductions and restructuring programs.

These forward-looking statements are subject to a number of risks and uncertainties, including those identified in Exhibit 99.1 to our Annual Report on Form 10-K, which could cause our actual results to differ materially from historical results or those anticipated and certain of which are beyond our control. The words "believe," "expect," "anticipate" and similar expressions identify forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

ITEM 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Discussion of this item is on page 40 of Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this item are set forth on pages F-1 through F-29 and the related financial schedule is set forth on page S-2.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On March 10, 1999, the Company dismissed KPMG Fides Peat as its independent auditors. The reports of KPMG Fides Peat on the Company's financial statements for the fiscal years ended December 31, 1998 and December 31, 1997 did not contain an adverse opinion or a disclaimer of opinion, or a qualification or modification as to uncertainty, audit scope, or accounting principles. In connection with its audits for the Company's two most recent fiscal years, and through March 10, 1999, there were no disagreements with KPMG Fides Peat on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of KPMG Fides Peat, would have caused it to make a reference to the subject matter of the disagreement(s) in connection with its reports covering such periods. None of the reportable events listed in Item 304(a)(1)(v) of Regulation S-K occurred with respect to the Company and KPMG Fides Peat.

On March 10, 1999, the Company engaged PricewaterhouseCoopers ("PwC") as its independent auditors for the fiscal year ending December 31, 1999. During the Company's two most recent fiscal years, and through March 10, 1999, the Company did not consult with PwC as to either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements and the Company did not consult with PwC as to any matter that was either the subject of a disagreement or reportable event.

The decision to dismiss KPMG Fides Peat as the Company's independent auditors was approved by the Audit Committee of the Company's Board of Directors.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The directors and executive officers of the Company are set forth below. All directors hold office until the annual meeting of shareholders following their election or until their successors are duly elected and qualified. Officers are appointed by the Board of Directors and serve at the discretion of the Board.

Name	Age	Position
Robert F. Spoerry	44	President, Chief Executive Officer and Chairman of the Board of Directors
William P. Donnelly	38	Chief Financial Officer
Lukas Braunschweiler	43	Head, Industrial and Retail
Peter Burkner	54	Head, Human Resources
Karl M. Lang	53	Head, Asia Pacific
Thomas Rubbe	45	Head, Logistics and Information Systems
Daniel G. Schillinger	41	Head, Laboratory Division
Philip Caldwell	80	Director
John T. Dickson	54	Director
Reginald H. Jones	82	Director
John D. Macomber	72	Director
George M. Milne	56	Director
Laurence Z. Y. Moh	74	Director
Thomas P. Salice	40	Director

Robert F. Spoerry has been President and Chief Executive Officer of the Company since 1993. He served as Head, Industrial and Retail (Europe) of the Company from 1987 to 1993. Mr. Spoerry has been a Director since October 1996. Mr. Spoerry has been Chairman of the Board of Directors since May 1998.

William P. Donnelly has been Chief Financial Officer of the Company since 1997. From 1993 until joining the Company, he held various senior financial and management positions, including most recently Group Vice President and Chief Financial Officer, with Elsag Bailey Process Automation, a global manufacturer of instrumentation and analytical products, and developer of distributed control systems.

Lukas Braunschweiler has been Head, Industrial and Retail of the Company since 1999. From 1995 to 1999 he served as Head, Industrial and Retail (Europe). From 1992 until 1995 he held various senior management positions with the Landis & Gyr Group, a manufacturer of electrical meters. Prior to 1992, he was a Vice President in the Technology Group of Saurer Group, a manufacturer of textile machinery.

Peter Burkner has been Head, Human Resources of the Company since 1994. From 1992 to 1994 he was Mettler-Toledo's General Manager in Spain, and from 1989 to 1991 he headed the Company's operations in Italy.

Karl M. Lang has been Head, Asia Pacific of the Company since January 2000. From 1994 to January 2000 he served as Head, Laboratory Division. From 1991 to 1994 he was based

in Japan as a representative of senior management with responsibility for expansion of the Asian operations.

Thomas Rubbe has been Head, Logistics and Information Systems of the Company since 1995. From 1990 to 1995 he was head of Controlling, Finance and Administration with the Company's German marketing organization.

Daniel G. Schillinger has been Head, Laboratory Division of the Company since January 2000. From 1995 to 1999 he was with Grundfos, a Danish industrial instrument manufacturer, as head of the mid- and east European sales companies and as General Manager for Germany. Prior to 1995, he held various positions in R&D and technology management with ABB, an engineering concern, and with Landis & Gyr, a manufacturer of electrical meters and building control systems.

Philip Caldwell has been a Director since October 1996. Prior to May 1998, Mr. Caldwell served as Chairman of the Board of Directors. Mr. Caldwell spent 32 years at Ford Motor Company, where he served as Chairman of the Board of Directors and Chief Executive Officer from 1980 to 1985 and a Director from 1973 to 1990. He served as a Director and Senior Managing Director of Lehman Bros. Inc. and its predecessor, Shearson Lehman Brothers Holdings, Inc., from 1985 to February 1998. Mr. Caldwell is also a Director of the Mexico Fund, Russell Reynolds Associates, Inc. and Waters Corporation. He is a member of the Zurich Financial Services Group US Advisory Board. He has served as a Director of the Chase Manhattan Bank, N.A., the Chase Manhattan Corp., Digital Equipment Corporation, Federated Department Stores Inc., Kellogg Company, CasTech Aluminum Group Inc., Specialty Coatings International Inc., American Guarantee & Liability Insurance Company, Zurich Holding Company of America, Inc., and Zurich Reinsurance Centre Holdings, Inc.

John T. Dickson has been a Director since March 2000. Mr. Dickson is Executive Vice President of Lucent Technologies and CEO of its Microelectronics and Communications Technologies business. Mr. Dickson joined the Microelectronics group in 1993. Mr. Dickson is also a Director of the Semiconductor Industry Association and a member of the Board of Trustees of Lehigh Valley Health Network.

Reginald H. Jones has been a Director since October 1996. Mr. Jones retired as Chairman of the Board of Directors of General Electric Company ("General Electric") in April 1981. At General Electric, he served as Chairman of the Board of Directors and Chief Executive Officer from December 1972 through April 1981, President from June 1972 to December 1972 and a Director from August 1971 to April 1981.

John D. Macomber has been a Director since October 1996. He has been a principal of JDM Investment Group since 1992. He was Chairman and President of the Export-Import Bank of the United States (an agency of the U.S. Government) from 1989 to 1992. From 1973 to 1986 Mr. Macomber was Chairman and Chief Executive Officer of Celanese Corporation. Prior to that, Mr. Macomber was a Senior Partner of McKinsey & Company. Mr. Macomber is also a Director of IRI International, Lehman Brothers Holdings and Textron Inc.

George M. Milne has been a Director since September 1999. Mr. Milne is President of the Central Research Division and Senior Vice President of Pfizer Inc., with responsibility for guiding the company's global pharmaceutical and animal health drug discovery and development efforts, a position he assumed in 1993. Since joining Pfizer in 1970, Mr. Milne has held a variety of senior management and research positions.

Laurence Z. Y. Moh has been a Director since October 1996. At present, he is Chairman and Chief Executive Officer of Plantation Timber Products Limited (CHINA), which he founded in 1996. He is Chairman Emeritus of Universal Furniture Limited, which he founded in 1959.

Thomas P. Salice has been a Director since October 1996. Mr. Salice is President and Chief Executive Officer of AEA Investors Inc. and has been associated with AEA Investors Inc. since June 1989. Mr. Salice is also a Director of Waters Corporation and Sovereign Specialty Chemicals, Inc.

ITEM 11. EXECUTIVE COMPENSATION

The information appearing in the sections captioned "Directors' Compensation," "Executive Compensation" and "Compensation Committee Interlocks and Insider Participation" in the Registrant's Proxy Statement for the 2000 Annual Meeting of Stockholders (the "2000 Proxy Statement") is incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information appearing in the section "Principal Stockholders" in the 2000 Proxy Statement is incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information appearing in the section captioned "Certain Transactions" in the 2000 Proxy Statement is incorporated by reference herein.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents Filed as Part of this Report:

1. Financial Statements. See Index to Consolidated Financial Statements included on page F-1.
2. Financial Statement Schedule and related Audit Report. See Schedule I, which is included on pages S-1 and S-2.
3. List of Exhibits. See Index of Exhibits included on page E-1.

(b) Reports on Form 8-K:

None.

SIGNATURES

Pursuant to the requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Mettler-Toledo International Inc.
(Registrant)

Date: March 24, 2000

By: /s/ ROBERT F. SPOERRY

Robert F. Spoerry
Chairman of the Board,
President and Chief Executive
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<i>Signature</i>	<i>Title</i>	<i>Date</i>
<i>/s/ ROBERT F. SPOERRY</i> ----- <i>Robert F. Spoerry</i>	<i>Chairman of the Board, President and Chief Executive Officer</i>	<i>March 24, 2000</i>
<i>/s/ WILLIAM P. DONNELLY</i> ----- <i>William P. Donnelly</i>	<i>Vice President and Chief Financial Officer (Principal financial and accounting officer)</i>	<i>March 24, 2000</i>
<i>/s/ PHILIP CALDWELL</i> ----- <i>Philip Caldwell</i>	<i>Director</i>	<i>March 24, 2000</i>
----- <i>John T. Dickson</i>	<i>Director</i>	
<i>/s/ REGINALD H. JONES</i> ----- <i>Reginald H. Jones</i>	<i>Director</i>	<i>March 24, 2000</i>
<i>/s/ JOHN D. MACOMBER</i> ----- <i>John D. Macomber</i>	<i>Director</i>	<i>March 24, 2000</i>
<i>/s/ GEORGE M. MILNE</i> ----- <i>George M. Milne</i>	<i>Director</i>	<i>March 24, 2000</i>
<i>/s/ LAURENCE Z.Y. MOH</i> ----- <i>Laurence Z.Y. Moh</i>	<i>Director</i>	<i>March 24, 2000</i>
<i>/s/ THOMAS P. SALICE</i> ----- <i>Thomas P. Salice</i>	<i>Director</i>	<i>March 24, 2000</i>

Exhibit No. -----	Description -----	Page Number or Incorporation by Reference -----
3.1	Amended and Restated Certificate of Incorporation of the Company	Filed as Exhibit 3.1 to the Annual Report on Form 10-K of the Company dated March 13, 1998 and incorporated herein by reference
3.2*	Amended By-laws of the Company, effective February 3, 2000	Page 84
4.1	Specimen Form of the Company's Stock Certificate	Filed as Exhibit 4.3 to the Registration Statement, as amended, on Form S-1 of the Company (Reg. No. 333-35597) and incorporated herein by reference
10.1	Employment Agreement between Robert F. Spoerry and Mettler-Toledo AG, dated as of October 30, 1996	Filed as Exhibit 10.4 to the Annual Report on Form 10-K of Mettler-Toledo Holding Inc. dated March 31, 1997 and incorporated herein by reference
10.2	Employment Agreement between Lukas Braunschweiler and Mettler-Toledo GmbH dated as of November 10, 1997	Filed as Exhibit 10.2 to the Annual Report on Form 10-K of the Company dated March 13, 1998 and incorporated herein by reference
10.3	Employment Agreement between William P. Donnelly and Mettler-Toledo GmbH dated as of November 10, 1997	Filed as Exhibit 10.3 to the Annual Report on Form 10-K of the Company dated March 13, 1998 and incorporated herein by reference
10.4	Employment Agreement between Karl M. Lang and Mettler-Toledo GmbH dated as of November 10, 1997	Filed as Exhibit 10.4 to the Annual Report on Form 10-K of the Company dated March 13, 1998 and incorporated herein by reference
10.5	Loan Agreement between Robert F. Spoerry and Mettler-Toledo AG, dated as of October 7, 1996	Filed as Exhibit 10.6 to the Annual Report on Form 10-K of Mettler-Toledo Holding Inc. dated March 31, 1997 and incorporated herein by reference
10.6	Regulations of the Performance Oriented Bonus System (POBS) - Incentive System for the Management of Mettler Toledo, effective as of November 5, 1998	Filed as Exhibit 10.7 to the Annual Report on Form 10-K of the Company dated March 18, 1999 and incorporated herein by reference
10.7*	Regulations of the POBS Plus - Incentive Scheme for Senior Management of Mettler Toledo, effective as of March 14, 2000	Page 96
10.8	Credit Agreement, dated as of November 19, 1997, between Mettler-Toledo International Inc., as Guarantor, Mettler-Toledo, Inc., Mettler-Toledo AG, as Borrowers, Safeline Holding Company as UK Borrower, Mettler-Toledo, Inc., as Canadian Borrower and Merrill Lynch & Co. as Arranger and Documentation Agent, and the Lenders thereto	Filed as Exhibit 10.9 to the Annual Report on Form 10-K of the Company dated March 13, 1998 and incorporated herein by reference
10.9	Amendment No.1, dated as of September 30, 1998, to the Second Amended and Restated Credit Agreement, dated as of November 19, 1997	Filed as Exhibit 10 to the Quarterly Report on Form 10-Q of the Company, dated November 16, 1998 and incorporated herein by reference

Exhibit No. -----	Description -----	Page Number or Incorporation by Reference -----
10.10	1997 Amended and Restated Stock Option Plan	Filed as Exhibit 10.10 to the Registration Statement on Form S-1 of the Company (Reg. No. 333-35597) and incorporated herein by reference)
10.11*	Employment Agreement between Peter Burkner and Mettler-Toledo GmbH dated as of November 10, 1997	Page 100
10.12*	Employment Agreement between Daniel G. Schillinger and Mettler-Toledo GmbH dated as of January 1, 2000	Page 106
10.13*	Regulations of the POBS PLUS - Incentive Scheme for Members of the Group Management of Mettler Toledo, effective as of March 7, 2000	Page 111
21*	Subsidiaries of the Company	Page 115
27.1*	Financial Data Schedule	Page 118
99.1*	Factors Affecting our Future Operating Results	Page 119

* Filed herewith

METTLER-TOLEDO INTERNATIONAL INC.
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Mettler-Toledo International Inc.

In our opinion, the consolidated financial statements listed in the index under Item 14(a)(1) on page 47 present fairly, in all material respects, the financial position of Mettler-Toledo International Inc. and its subsidiaries at December 31, 1999, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index under Item 14 (a) (2) on page 47 presents fairly, in all material respects, the information set forth therein for 1999 when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers AG

Zurich, Switzerland
February 3, 2000

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Mettler-Toledo International Inc.

We have audited the accompanying consolidated balance sheet of Mettler-Toledo International Inc. and subsidiaries as of December 31, 1998, and the related consolidated statements of operations, shareholders' equity and cash flows for the years ended December 31, 1998 and 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mettler-Toledo International Inc. and subsidiaries as of December 31, 1998, and the consolidated results of their operations and their cash flows for the years ended December 31, 1998 and 1997, in conformity with accounting principles generally accepted in the United States of America.

KPMG Fides Peat

Zurich, Switzerland
February 5, 1999

METTLER-TOLEDO INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS
As of December 31
(In thousands, except per share data)

	1999	1998
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 17,179	\$ 21,191
Trade accounts receivable, less allowances of \$9,827 in 1999 and \$9,443 in 1998.....	203,750	178,525
Inventories, net.....	123,901	112,059
Other current assets and prepaid expenses.....	43,115	46,455
Total current assets.....	387,945	358,230
Property, plant and equipment, net.....	199,723	230,264
Excess of cost over net assets acquired, net of accumulated amortization of \$21,313 in 1999 and \$13,911 in 1998.....	204,395	213,772
Other non-current assets	28,910	18,175
Total assets.....	\$820,973	\$820,441
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable.....	\$ 81,234	\$ 58,740
Accrued and other liabilities.....	105,783	91,049
Accrued compensation and related items.....	53,510	45,906
Taxes payable.....	48,769	51,302
Short-term borrowings and current maturities of long-term debt.....	46,879	46,432
Total current liabilities.....	336,175	293,429
Long-term debt.....	249,721	340,246
Non-current deferred taxes.....	22,728	25,566
Other non-current liabilities.....	100,334	103,201
Total liabilities.....	708,958	762,442
Minority interest.....	-	4,164
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 38,674,768 and 38,400,363 (excluding 64,467 shares held in treasury) at December 31, 1999 and 1998.....	386	384
Additional paid-in capital.....	288,092	285,161
Accumulated deficit	(138,426)	(186,527)
Accumulated other comprehensive loss.....	(38,037)	(45,183)
Total shareholders' equity	112,015	53,835
Commitments and contingencies.....		
Total liabilities and shareholders' equity	\$820,973	\$820,441

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

METTLER-TOLEDO INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended December 31
(In thousands, except per share data)

	1999	1998	1997
	-----	-----	-----
Net sales.....	\$1,065,473	\$935,658	\$878,415
Cost of sales.....	585,007	520,190	493,480
	-----	-----	-----
Gross profit.....	480,466	415,468	384,935
Research and development.....	57,393	48,977	47,551
Selling, general and administrative.....	300,389	265,511	260,397
Amortization.....	10,359	7,634	6,222
Purchased research and development.....	-	9,976	29,959
Interest expense.....	21,980	22,638	35,924
Other charges, net.....	10,468	1,197	10,834
	-----	-----	-----
Earnings (loss) before taxes, minority interest and extraordinary items....	79,877	59,535	(5,952)
Provision for taxes.....	31,398	20,999	17,489
Minority interest.....	378	911	468
	-----	-----	-----
Net earnings (loss) before extraordinary items.....	48,101	37,625	(23,909)
Extraordinary items- debt extinguishments, net of tax....	-	-	(41,197)
	-----	-----	-----
Net earnings (loss).....	\$48,101	\$37,625	\$(65,106)
	=====	=====	=====
Basic earnings (loss) per common share:			
Net earnings (loss) before extraordinary items.....	\$1.25	\$0.98	\$(0.76)
Extraordinary items.....	-	-	(1.30)
	-----	-----	-----
Net earnings (loss).....	\$1.25	\$0.98	\$(2.06)
	=====	=====	=====
Weighted average number of common shares	38,518,084	38,357,079	31,617,071
Diluted earnings (loss) per common share:			
Net earnings (loss) before extraordinary items.....	\$1.16	\$0.92	\$(0.76)
Extraordinary items.....	-	-	(1.30)
	-----	-----	-----
Net earnings (loss).....	\$1.16	\$0.92	\$(2.06)
	=====	=====	=====
Weighted average number of common shares	41,295,757	40,682,211	31,617,071

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

METTLER-TOLEDO INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the years ended December 31
(In thousands)

	Common Stock All Classes		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at December 31, 1996.....	2,438,514	\$25	\$188,084	\$(159,046)	\$(16,637)	\$12,426
New issuance of Class A and C shares..	3,857	-	300	-	-	300
Purchase of Class A and C treasury stock.....	(5,123)	(1)	(668)	-	-	(669)
Common stock conversion.....	28,232,099	282	(282)	-	-	-
Proceeds from stock offering.....	7,666,667	77	97,196	-	-	97,273
Comprehensive loss:						
Net loss.....	-	-	-	(65,106)	-	(65,106)
Change in currency translation adjustment.....	-	-	-	-	(18,825)	(18,825)
Comprehensive loss.....						(83,931)
Balance at December 31, 1997.....	38,336,014	\$383	\$284,630	\$(224,152)	\$(35,462)	\$25,399
Exercise of stock options.....	64,349	1	531	-	-	532
Comprehensive income:						
Net earnings.....	-	-	-	37,625	-	37,625
Change in currency translation adjustment.....	-	-	-	-	(4,962)	(4,962)
Minimum pension liability.....	-	-	-	-	(4,759)	(4,759)
Comprehensive income.....						27,904
Balance at December 31, 1998.....	38,400,363	\$384	\$285,161	\$(186,527)	\$(45,183)	\$53,835
Exercise of stock options.....	274,405	2	2,931	-	-	2,933
Comprehensive income:						
Net earnings.....	-	-	-	48,101	-	48,101
Change in currency translation adjustment.....	-	-	-	-	2,387	2,387
Minimum pension liability.....	-	-	-	-	4,759	4,759
Comprehensive income.....						55,247
Balance at December 31, 1999.....	38,674,768	\$386	\$288,092	\$(138,426)	\$(38,037)	\$112,015

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

METTLER-TOLEDO INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31
(In thousands)

	1999	1998	1997
	-----	-----	-----
Cash flows from operating activities:			
Net earnings (loss).....	\$48,101	\$37,625	\$(65,106)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation.....	24,940	24,592	25,613
Amortization.....	10,359	7,634	6,222
Write-off of purchased research and development and cost of sales associated with revaluation of inventories.....	998	9,976	32,013
Extraordinary items.....	-	-	41,197
Net (gain) loss on disposal of long-term assets.....	(3,269)	(2,868)	33
Deferred taxes and adjustments to goodwill.....	(1,636)	(1,200)	4,244
Minority interest.....	378	911	468
Increase (decrease) in cash resulting from changes in:			
Trade accounts receivable, net.....	(19,437)	(16,391)	(8,113)
Inventories.....	(9,540)	(5,953)	(2,740)
Other current assets.....	11,363	3,300	(7,177)
Trade accounts payable.....	16,239	17,523	4,936
Accruals and other liabilities.....	12,844	(3,107)	24,059
Net cash provided by operating activities.....	91,340	72,042	55,649
	-----	-----	-----
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment.....	10,151	22,500	15,913
Purchase of property, plant and equipment.....	(29,188)	(28,633)	(22,251)
Acquisitions, net of seller financings.....	(18,468) (a)	(28,925) (a)	(80,469) (a)
Other investing activities.....	-	(885)	(9,184)
Net cash used in investing activities.....	(37,505)	(35,943)	(95,991)
	-----	-----	-----
Cash flows from financing activities:			
Proceeds from borrowings.....	20,640	23,019	614,245
Repayments of borrowings.....	(80,393)	(62,376)	(703,201)
Proceeds from issuance of common stock.....	2,592	532	97,573
Purchase of treasury stock.....	-	-	(669)
Net cash provided by (used in) financing activities	(57,161)	(38,825)	7,948
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(686)	351	(4,736)
	-----	-----	-----
Net decrease in cash and cash equivalents.....	(4,012)	(2,375)	(37,130)
	-----	-----	-----
Cash and cash equivalents:			
Beginning of period.....	21,191	23,566	60,696
End of period.....	\$17,179	\$21,191	\$23,566
	=====	=====	=====
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest.....	\$21,642	\$21,109	\$38,345
Taxes.....	25,952	20,285	6,140
Non-cash investing activities:			
Seller financings on acquisitions.....	-	\$11,960	\$22,514

(a) Amounts paid for acquisitions including working capital retained by sellers, seller financing and assumed debt were \$20.5 million, \$44.0 million and \$103.0 million in 1999, 1998 and 1997, respectively.

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

METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In thousands unless otherwise stated)

1. Business Description and Basis of Presentation

Mettler-Toledo International Inc. ("Mettler-Toledo" or the "Company") is a global manufacturer and marketer of precision instruments, including weighing and certain analytical and measurement technologies, for use in laboratory, industrial and food retailing applications. The Company's primary manufacturing facilities are located in Switzerland, the United States, Germany, the United Kingdom, France and China. The Company's principal executive offices are located in Greifensee, Switzerland.

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and include all entities in which the Company has control, including its majority owned subsidiaries. Certain amounts in the prior period financial statements have been reclassified to conform with current year presentation.

All intercompany transactions and balances have been eliminated. Investments in which the Company has voting rights between 20% to 50% are accounted for using the equity method of accounting.

The preparation of financial statements 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.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturity dates of three months or less.

Inventories

Inventories are valued at the lower of cost or market. Cost, which includes direct materials, labor and overhead plus indirect overhead, is determined using the first in, first out (FIFO) or weighted average cost methods and to a lesser extent the last in, first out (LIFO) method.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

2. Summary of Significant Accounting Policies - (Continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	15 to 50 years
Machinery and equipment	3 to 12 years
Computer software	3 to 5 years

Leasehold improvements Shorter of useful life or lease term

The Company reviews its property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount.

Excess of Cost over Net Assets Acquired

The excess of purchase price over the fair value of net assets acquired is amortized on a straight-line basis over the expected period to be benefited. The Company assesses the recoverability of such amounts by determining whether the amortization of the balance over its remaining life can be recovered from the undiscounted future operating cash flows of the acquired operations.

Taxation

The Company files tax returns in each jurisdiction in which it operates. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in the respective jurisdictions in which the Company operates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Generally, deferred taxes are not provided on the unremitted earnings of subsidiaries outside of the U.S. because it is expected that these earnings are permanently reinvested and such determination is not practicable. Such earnings may become taxable upon the sale or liquidation of these subsidiaries or upon the remittance of dividends. Deferred taxes are provided in situations where the Company's subsidiaries plan to make future dividend distributions.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

2. Summary of Significant Accounting Policies - (Continued)

Currency Translation and Transactions

The reporting currency for the consolidated financial statements of the Company is the U.S. dollar. The functional currency for the Company's operations is generally the applicable local currency. Accordingly, the assets and liabilities of companies whose functional currency is other than the U.S. dollar are included in the consolidated financial statements by translating the assets and liabilities into the reporting currency at the exchange rates applicable at the end of the reporting period. The statements of operations and cash flows of such non-U.S. dollar functional currency operations are translated at the monthly average exchange rates during the year. Translation gains or losses are accumulated in other comprehensive income (loss) in the Consolidated Statements of Shareholders' Equity.

Revenue Recognition

Revenue is recognized when title to a product has transferred or services have been rendered. Revenues from service contracts are recognized over the contract period.

Research and Development

Research and development costs are expensed as incurred.

Earnings per Common Share

As described in Note 11, in accordance with the treasury stock method, the Company has included 2,777,673 and 2,325,132 equivalent shares relating to 5,035,647 outstanding options to purchase shares of common stock in the calculation of diluted weighted average number of common shares for years ending December 31, 1999 and 1998, respectively.

Derivative Financial Instruments

The Company has only limited involvement with derivative financial instruments and does not use them for trading purposes. The Company enters into foreign currency forward contracts to hedge short-term intercompany transactions with its foreign businesses. Such contracts limit the Company's exposure to both favorable and unfavorable currency fluctuations. These contracts are adjusted to reflect market values as of each balance sheet date, with the resulting changes in fair value being recognized in other charges, net.

The Company also enters into certain interest rate swap agreements in order to reduce its exposure to changes in interest rates. The differential paid or received on interest rate swap agreements is recognized as interest expense over the life of the agreements as incurred.

The Company has entered into certain foreign currency forward contracts in order to convert certain U.S. dollar based debt into Swiss franc based debt. The Company has also designated certain of its Swiss franc debt as a hedge of its net investments. Any changes in

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

2. Summary of Significant Accounting Policies - (Continued)

fair value of the forward contracts and the debt are recorded in comprehensive income (loss) and offset the net investments which they hedge.

Stock Based Compensation

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its stock option plan.

Concentration of Credit Risk

The Company's revenue base is widely diversified by geographic region and by individual customer. The Company's products are utilized in many different industries, although extensively in the pharmaceutical and chemicals industries. The Company performs ongoing credit evaluations of its customers' financial condition and, generally, requires no collateral from its customers.

3. Business Combinations

During 1999, the Company spent approximately \$20.5 million on acquisitions including the net assets of the Testut-Lutrana group, a leading manufacturer and marketer of industrial and retail weighing instruments in France. This amount includes approximately \$2.0 million of working capital retained by sellers which has been excluded from the purchase price allocation. The Company accounted for the acquisitions using the purchase method of accounting. Accordingly, the costs of the acquisitions were allocated to the assets acquired and liabilities assumed based upon their respective fair values. In this respect the Company allocated \$1.0 million of the purchase price to revalue certain finished goods inventories to fair value. Substantially all of such inventories were sold in 1999.

During 1998, the Company spent approximately \$44.9 million on acquisitions and other investing activities including seller financing of \$12.0 million and assumed debt of \$3.1 million as well as contingent and other payments associated with acquisitions consummated in 1997. The Company may be required to make additional earn-out payments relating to certain of these acquisitions in the future.

In December 1998, the Company announced that it had acquired Applied Systems and Myriad Synthesizer Technology. The Company accounted for these acquisitions using the purchase method of accounting.

Applied Systems designs, assembles and markets instruments for in-process molecular analysis, which is primarily used for researching, developing and monitoring chemical processes. Applied Systems' proprietary sensors, together with its innovative Fourier transform infrared technology, enable chemists to analyze chemical reactions as they occur, which is more efficient than pulling samples.

Myriad Synthesizer Technology designs, assembles and markets instruments that facilitate and automate the synthesis of large numbers of chemical compounds in parallel,

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

3. Business Combinations - (Continued)

which is a key step in the chemical compound discovery process. Its products can be used in all stages of synthesis in drug discovery.

In July 1998, the Company acquired Bohdan Automation Inc., a leading supplier of laboratory automation and automated synthesis products. The Company accounted for the acquisition using the purchase method of accounting. Accordingly, the costs of the acquisition were allocated to the assets acquired and liabilities assumed based upon their respective fair values. The Company incurred a charge of \$10.0 million immediately following the acquisition based upon an independent valuation for purchased research and development costs for products being developed that had not established technological feasibility as of the date of acquisition and, if unsuccessful, had no alternative future use in research and development activities or otherwise.

In May 1997, the Company purchased the entire issued share capital of Safeline Limited ("Safeline"), a manufacturer of metal detection systems based in Manchester in the United Kingdom, for approximately (pound)63.7 million (approximately \$104.4 million at May 30, 1997), including a post-closing adjustment of (pound)1.9 million which was paid in October 1997 and an earn-out of (pound)0.8 million which was paid in June 1998. Under the terms of the agreement, the Company paid approximately (pound)13.7 million (approximately \$22.4 million) in the form of seller loan notes.

The Company accounted for the Safeline acquisition using the purchase method of accounting. The Company incurred a charge of \$30.0 million immediately following the acquisition based upon an independent valuation for purchased research and development costs. The technological feasibility of the products being developed had not been established as of the date of the acquisition and, if unsuccessful, had no alternative future use in research and development activities or otherwise. In addition, the Company allocated \$2.1 million of the purchase price to revalue certain finished goods inventories to fair value. Substantially all of such inventories were sold in the second quarter of 1997. The excess of the cost of the acquisition over the fair value of the net assets acquired is being amortized over 30 years.

4. Inventories, net

Inventories, net consisted of the following at December 31:

	1999	1998
Raw materials and parts.....	\$ 53,685	\$ 48,718
Work-in-progress.....	33,073	32,416
Finished goods.....	37,769	30,956
	-----	-----
	124,527	112,090
LIFO reserve.....	(626)	(31)
	-----	-----
	\$123,901	\$112,059
	=====	=====

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

5. Financial Instruments

At December 31, 1999, the Company had certain interest rate swap agreements outstanding that fix the variable interest obligation associated with CHF 265 million of Swiss franc based debt and \$120 million of USD based debt. Certain of these agreements have forward starting dates commencing in 2000. The agreements have various maturities beginning in 2000 and continuing through 2004. The fixed rates associated with the swap of Swiss franc debt vary between 2.17% and 2.94%, while the rates associated with the USD debt range from 5.93% and 6.09% plus the Company's normal interest margin. The swaps are effective at either one-month or three month LIBOR rates. At December 31, 1999 and 1998, the fair market value of such financial instruments was approximately \$2.4 million and \$(6.6) million, respectively.

At December 31, 1999, the Company had outstanding foreign currency forward contracts in the amount of \$35.6 million. The purpose of these contracts is to hedge short-term intercompany balances with its foreign businesses. The fair value of these contracts was not materially different than the carrying value at December 31, 1999 and 1998, respectively.

The Company may be exposed to credit losses in the event of nonperformance by the counterparties to its derivative financial instrument contracts. Counterparties are established banks and financial institutions with high credit ratings. The Company has no reason to believe that such counterparties will not be able to fully satisfy their obligations under these contracts.

The fair values of all derivative financial instruments are estimated based on current settlement prices of comparable contracts obtained from dealer quotes. The values represent the estimated amount the Company would pay or receive to terminate the agreements at the reporting date, taking into account current creditworthiness of the counterparties.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

6. Property, Plant and Equipment, Net

Property, plant and equipment, net, consisted of the following at December 31:

	1999	1998
	-----	-----
Land.....	\$ 41,230	\$ 48,080
Buildings and leasehold improvements.....	101,088	113,473
Machinery and equipment.....	120,989	117,032
Computer software.....	5,399	6,942
	-----	-----
	268,706	285,527
Less accumulated depreciation and amortization....	(68,983)	(55,263)
	-----	-----
	\$199,723	\$230,264
	=====	=====

7. Other non-current Assets

Other assets include deferred financing fees of \$2.5 million and \$3.1 million, net of accumulated amortization of \$1.3 million and \$0.6 million at December 31, 1999 and 1998, respectively. Also included in other assets are restricted bank deposits of \$1.3 million and \$1.6 million at December 31, 1999 and 1998, respectively. Other assets at December 31, 1999 and 1998 also included a loan due from the Company's Chief Executive Officer of approximately \$0.7 million. This loan bears an interest rate of 5% and is payable upon demand, which may not be made until 2003.

8. Short-Term Borrowings and Current Maturities of Long-Term Debt

Short-term borrowings and current maturities of long-term debt consisted of the following for the year ended December 31:

	1999	1998
	-----	-----
Current maturities of long-term debt.....	\$ 23,204	\$ 19,955
Other short-term borrowings.....	23,675	26,477
	-----	-----
	\$ 46,879	\$ 46,432
	=====	=====

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

9. Long-Term Debt

Long-term debt consisted of the following at December 31:

	1999	1998
	-----	-----
Credit Agreement Borrowings:		
Term A USD Loans, interest at LIBOR plus 0.625% (6.8% at December 31, 1999) payable in quarterly installments due May 19, 2004.....	\$81,816	\$93,953
Term A CHF Loans, interest at LIBOR plus 0.625% (2.6% at December 31, 1999) payable in quarterly installments due May 19, 2004.....	43,102	57,330
Term A GBP Loans, interest at LIBOR plus 0.625% (6.72% at December 31, 1999) payable in quarterly installments due May 19, 2004.....	28,221	33,279
Revolving credit facilities.....	127,283	166,723
Safeline Seller Notes, interest at LIBOR minus 0.131% (6.05% at December 31, 1999) due May 30, 2001.....	2,074	7,433
Other.....	14,104	27,960
	-----	-----
	296,600	386,678
Less current maturities.....	(46,879)	(46,432)
	-----	-----
	\$ 249,721	\$ 340,246
	=====	=====

The Company has a multi-currency \$400.0 million revolving credit facility and a CDN \$26.3 million Canadian revolving credit facility under its credit agreement. Loans under these revolving credit facilities may be repaid and reborrowed and are due in full on May 19, 2004. At December 31, 1999, the Company had approximately \$277.0 million of additional borrowing capacity under its credit agreement. The Company has the ability to refinance its short-term borrowings through its revolving facilities for an uninterrupted period extending beyond one year. Accordingly, approximately \$119.8 million of the Company's short-term borrowings at December 31, 1999 have been reclassified to long-term.

The aggregate maturities of long-term obligations during each of the years 2001 through 2004 are approximately \$34.6 million, \$32.5 million, \$37.1 million and \$27.8 million, respectively.

The Company is required to pay a facility fee based upon certain financial ratios per annum on the amount of its revolving facilities. The facility fee at December 31, 1999 was equal to 0.20%. At December 31, 1999, borrowings under the Company's revolving facilities carried an interest rate of LIBOR plus 0.425%. The Company's weighted average interest rate for the year ended December 31, 1999 was approximately 6.1%.

The Company's credit agreement contains covenants, including limitations on the Company's ability to pay dividends to shareholders, incur indebtedness, make investments, grant liens, sell financial assets and engage in certain other activities. The credit agreement also requires the Company to maintain a minimum net worth, a minimum fixed charge coverage ratio, and a ratio of total debt to EBITDA below a specified maximum.

The carrying value of the Company's obligations under its credit agreement approximate fair value due to the variable rate nature of the obligations.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

9. Long-Term Debt - (Continued)

At the time of the Safeline acquisition in May 1997, the Company refinanced its previous credit facility and entered into a new credit facility. The Company recorded an extraordinary loss of approximately \$9.6 million representing a charge for the write-off of capitalized debt issuance fees and related expenses associated with the Company's previous credit facility.

In connection with the Company's initial public offering in November 1997, the Company refinanced its existing credit facility by entering into a new credit facility (the "Credit Agreement"). Concurrent with the initial public offering and refinancing, the Company consummated a tender offer to repurchase 9 3/4% senior subordinated notes (the "Notes"). In connection with the refinancing and the Notes repurchase, the Company recorded an extraordinary loss of \$31.6 million primarily representing the premium paid in connection with the early extinguishment of the Notes of \$17.9 million and the write-off of capitalized debt issuance fees associated with the Notes and the Company's previous credit facility.

10. Shareholders' Equity

Common Stock

In November 1997, pursuant to a merger with its wholly owned subsidiary Mettler-Toledo Holding Inc., each share of the Company's existing Class A, Class B and Class C common stock was converted into 12.58392 shares of common stock and the number of authorized shares was increased to 125,000,000 shares with a par value of \$0.01 per share. Concurrently therewith, the Company completed an underwritten initial public offering of 7,666,667 shares at a public offering price of \$14.00 per share. The net proceeds from the offering of approximately \$97.3 million were used to repay a portion of the Company's 9 3/4% senior subordinated notes (see Note 9). As part of the offering the Company sold approximately 287,000 shares of its common stock to Company sponsored benefit funds at the public offering price. Holders of the Company's common stock are entitled to one vote per share.

At December 31, 1999, 6,029,691 shares of the Company's common stock were reserved for grant pursuant to the Company's stock option plan.

Preferred Stock

The Board of Directors, without further shareholder authorization, is authorized to issue up to 10,000,000 shares of preferred stock, par value \$0.01 per share in one or more series and to determine and fix the rights, preferences and privileges of each series, including dividend rights and preferences over dividends on the common stock and one or more series of the preferred stock, conversion rights, voting rights (in addition to those provided by law), redemption rights and the terms of any sinking fund therefore, and rights upon liquidation, dissolution or winding up, including preferences over the common stock and one or more

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

10. Shareholders' Equity - (Continued)

series of the preferred stock. The issuance of shares of preferred stock, or the issuance of rights to purchase such shares, may have the effect of delaying, deferring or preventing a change in control of the Company or an unsolicited acquisition proposal.

11. Stock Option Plan

Effective October 15, 1996, the Company adopted a stock option plan to provide certain key employees and directors of the Company additional incentive to join and/or remain in the service of the Company as well as to maintain and enhance the long-term performance and profitability of the Company.

Under the terms of the plan, options granted shall be nonqualified and the exercise price shall not be less than the fair market value of the common stock on the date of grant. Options vest equally over a five year period from the date of grant.

Stock option activity is shown below:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 1996.....	3,510,747	\$ 7.95
Granted.....	1,028,992	14.68
Forfeited.....	(130,999)	(7.95)
	-----	-----
Outstanding at December 31, 1997.....	4,408,740	\$ 9.75
Granted.....	670,000	21.48
Exercised.....	(64,349)	(8.26)
Forfeited.....	(142,549)	(7.95)
	-----	-----
Outstanding at December 31, 1998.....	4,871,842	\$ 11.30
Granted.....	647,500	28.56
Exercised.....	(274,405)	(8.87)
Forfeited.....	(209,290)	(13.74)
	-----	-----
Outstanding at December 31, 1999.....	5,035,647	\$ 13.45
	=====	=====
Options exercisable at December 31, 1999.....	2,232,333	\$ 9.74
	=====	=====

At December 31, 1999, 994,044 options were available for grant.

The following table details the weighted average remaining contractual life of options outstanding at December 31, 1999 by range of exercise prices:

Number of Options Outstanding	Weighted Average Exercise Price	Remaining Contractual Life of Options Outstanding	Options Exercisable
3,014,971	\$ 7.95	6.8	1,808,983
773,576	\$15.89	7.8	309,430
599,600	\$21.48	7.2	113,920
647,500	\$28.56	8.4	-
-----		---	-----
5,035,647		7.2	2,232,333
=====			=====

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

11. Stock Option Plan - (Continued)

As of the date granted, the weighted average grant-date fair value of the options granted during the years ended December 31, 1999, 1998 and 1997 was approximately \$12.31, \$8.11 and \$3.37 per share, respectively. Such weighted average grant-date fair value was determined using an option pricing model which incorporated the following assumptions:

	1999	1998	1997
	----	----	----
Risk-free interest rate.....	6.3%	5.2%	5.4%
Expected life in years.....	4	4	4
Expected volatility.....	45%	39%	26%
Expected dividend yield.....	--	--	--

The Company applies Accounting Standards Board Opinion No. 25 and related interpretations in accounting for its 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 (loss) and basic and diluted net earnings (loss) per common share for the years ended December 31 would have been as follows:

	1999	1998	1997
	-----	-----	-----
Net earnings (loss):			
As reported.....	\$48,101	\$37,625	\$(65,106)
Pro forma.....	45,847	35,475	(66,417)
	=====	=====	=====
Basic earnings (loss) per common share:			
As reported.....	\$1.25	\$0.98	\$(2.06)
Pro forma.....	1.19	0.92	(2.10)
	=====	=====	=====
Diluted earnings (loss) per common share:			
As reported.....	\$1.16	\$0.92	\$(2.06)
Pro forma.....	1.11	0.87	(2.10)
	=====	=====	=====

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

12. Benefit Plans

Mettler-Toledo maintains a number of retirement plans for the benefit of its employees.

Certain companies sponsor defined contribution plans. Benefits are determined and funded annually based upon the terms of the plans. Amounts recognized as cost under these plans amounted to \$2.8 million, \$8.2 million and \$8.9 million for the years ended December 31, 1999, 1998 and 1997, respectively. Based on certain changes in 1999, the Company performed a reevaluation of its Swiss pension plans and determined these plans to be defined benefit plans. Accordingly, commencing in 1999, the Company has accounted for these plans as such. The application of defined benefit accounting to the plans had no material impact on the consolidated financial statements.

Certain companies sponsor defined benefit plans. Benefits are provided to employees primarily based upon years of service and employees' compensation for certain periods during the last years of employment. The Company's U.S. operations also provide postretirement medical benefits to their employees. Contributions for medical benefits are related to employee years of service.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

12. Benefit Plans - (Continued)

The following table sets forth the change in benefit obligation, the change in plan assets, the funded status and amounts recognized in the consolidated financial statements for the Company's principal defined benefit plans and postretirement plans at December 31, 1999 and 1998:

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Change in benefit obligation:				
Benefit obligation at beginning of year.....	\$ 149,930	\$ 124,958	\$ 37,095	\$ 36,112
Service cost, gross.....	20,972	5,929	624	507
Interest cost.....	18,680	8,624	2,489	2,360
Actuarial (gains) losses.....	(2,918)	7,977	(2,482)	821
Plan amendments and other.....	(239)	4,584	(105)	(184)
Benefits paid.....	(17,429)	(5,541)	(2,161)	(2,515)
Impact of foreign currency.....	(46,316)	3,399	4	(6)
Impact of businesses acquired.....	1,867	-	-	-
Impact of Swiss pension plans.....	269,703	-	-	-
Benefit obligation at end of year.....	394,250	149,930	35,464	37,095
Change in plan assets:				
Fair value of plan assets at beginning of year.....	77,375	73,075	-	-
Actual return on plan assets.....	39,760	4,921	-	-
Employer contributions.....	11,360	4,759	2,161	2,515
Plan participants' contributions.....	4,472	281	-	-
Benefits paid.....	(17,429)	(5,541)	(2,161)	(2,515)
Impact of foreign currency.....	(42,738)	(120)	-	-
Impact of Swiss pension plans.....	295,874	-	-	-
Fair value of plan assets at end of year.....	368,674	77,375	-	-
Funded status.....	(25,576)	(72,555)	(35,464)	(37,095)
Unrecognized actuarial (gain) loss.....	(28,712)	9,855	2,438	5,110
Net amount recognized.....	\$ (54,288)	\$ (62,700)	\$ (33,026)	\$ (31,985)

Amounts recognized in the Consolidated Balance Sheets consist of:

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
Other non-current assets.....	\$ 6,597	\$ 1,294	\$ -	\$ -
Other non-current liabilities.....	(60,885)	(68,753)	(33,026)	(31,985)
Accumulated other comprehensive income.....	-	4,759	-	-
Net amount recognized.....	\$ (54,288)	\$ (62,700)	\$ (33,026)	\$ (31,985)

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

12. Benefit Plans - (Continued)

The assumed discount rates and rates of increase in future compensation level used in calculating the projected benefit obligations vary according to the economic conditions of the country in which the retirement plans are situated. The weighted average rates used for the purposes of the Company's U.S. plans are as follows:

	1999	1998	1997
	----	----	----
Discount rate.....	7.8%	7.2%	7.2%
Compensation increase rate.....	5.0%	5.0%	5.0%
Expected long term rate of return on plan assets.....	9.5%	9.5%	9.5%

Plan assets relate principally to the Company's U.S. and Swiss companies and consist of equity investments, obligations of the U.S. Treasury or other governmental agencies, and other interest-bearing investments.

At December 31, 1999, the fair value of plan assets and the total projected benefit obligation for the Company's non-U.S. defined benefit plans were \$305.4 million and \$324.6 million, respectively. Actuarial assumptions for these plans ranged from 3.75% to 8.5% for the discount rate, 2.0% to 6.5% for the compensation increase rate and 5.0% to 8.5% for the expected long term rate of return on plan assets for the years ended December 31, 1999, 1998 and 1997.

Net periodic pension cost for the defined benefit plans includes the following components for the year ended December 31:

	1999	1998	1997
	-----	-----	-----
Service cost, net.....	\$16,842	\$ 5,929	\$ 5,655
Interest cost on projected benefit obligations.....	18,680	8,624	8,020
Expected return on plan assets.....	(22,420)	(6,613)	(5,976)
Recognition of actuarial (gains) losses	394	(104)	(51)
	-----	-----	-----
Net periodic pension cost.....	\$13,496	\$ 7,836	\$ 7,648
	=====	=====	=====

Net periodic postretirement benefit cost for the U.S. postretirement plans includes the following components for the year ended December 31:

	1999	1998	1997
	----	----	----
Service cost.....	\$ 624	\$ 507	\$ 440
Interest cost on projected benefit obligations.....	2,489	2,360	2,296
Recognition of actuarial losses.....	189	-	-
Net amortization and deferral.....	21	26	33
	-----	-----	-----
Net periodic postretirement benefit cost.....	\$ 3,323	\$ 2,893	\$ 2,769
	=====	=====	=====

The accumulated postretirement benefit obligation and net periodic postretirement benefit cost were principally determined using discount rates of 7.2% in 1999, 6.7% in 1998 and 7.0% in 1997 and health care cost trend rates ranging from 7.5% to 8.5% in 1999, 1998 and 1997, decreasing to 5% in 2005.

The health care cost trend rate assumption has a significant effect on the accumulated postretirement benefit obligation and net periodic postretirement benefit cost. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

12. Benefit Plans - (Continued)

	One-Percentage- Point Increase	One-Percentage- Point Decrease
Effect on total of service and interest cost components.....	\$ 593	\$ (349)
Effect on postretirement benefit obligation.....	\$4,030	\$(3,600)

13. Taxes

The sources of the Company's earnings (loss) before taxes, minority interest and extraordinary items were as follows for the year ended December 31:

	1999	1998	1997
United States.....	\$(1,906)	\$(2,172)	\$(14,178)
Non-United States.....	81,783	61,707	8,226
Earnings (loss) before taxes, minority interest and extraordinary items.....	\$79,877	\$59,535	\$(5,952)

The provision (benefit) for taxes consists of:

	Current	Deferred	Adjustments to Goodwill	Total
Year ended December 31, 1999:				
United States federal.....	\$ (17)	\$ -	\$ -	\$ (17)
State and local.....	494	-	-	494
Non-United States.....	32,557	(10,260)	8,624	30,921
	\$33,034	\$(10,260)	\$8,624	\$31,398

	Current	Deferred	Adjustments to Goodwill	Total
Year ended December 31, 1998:				
United States federal.....	\$ 517	\$ (700)	\$ 591	\$ 408
State and local.....	561	(102)	351	810
Non-United States.....	21,121	(2,642)	1,302	19,781
	\$22,199	\$(3,444)	\$2,244	\$20,999

	Current	Deferred	Adjustments to Goodwill	Total
Year ended December 31, 1997:				
United States federal.....	\$ -	\$ (351)	\$ -	\$ (351)
State and local.....	466	(41)	107	532
Non-United States.....	12,779	2,600	1,929	17,308
	\$13,245	\$2,208	\$2,036	\$17,489

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

13. Taxes - (Continued)

The adjustments to goodwill during the years ending December 31, 1999, 1998 and 1997 relate to tax benefits utilized which were not previously recognized in the purchase price allocation pertaining to previous acquisitions.

The provision for tax expense for the years ended December 31, 1999, 1998 and 1997 differed from the amounts computed by applying the United States federal income tax rate of 35% to the earnings (loss) before taxes, minority interest and extraordinary items as a result of the following:

	1999	1998	1997
	-----	-----	-----
Expected tax.....	\$27,957	\$20,837	\$(2,083)
United States state and local income taxes, net of federal income tax benefit.....	494	810	276
Non-deductible purchased research and development	-	3,492	10,486
Non-deductible intangible amortization.....	2,254	2,459	2,073
Change in valuation allowance.....	(983)	4,964	263
Other non-United States income taxes at other than a 35% rate.....	1,165	(6,708)	5,545
Change in Swiss tax law.....	-	(3,557)	-
Change in Swiss tax rates.....	-	(1,406)	-
Other, net.....	511	108	929
	-----	-----	-----
Total provision for taxes.....	\$31,398	\$20,999	\$17,489
	=====	=====	=====

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below at December 31:

	1999	1998
	-----	-----
Deferred tax assets:		
Inventory.....	\$ 1,363	\$ 6,055
Accrued and other liabilities.....	15,099	12,601
Deferred loss on sale of subsidiaries.....	2,091	7,907
Accrued postretirement benefit and pension costs....	21,984	24,983
Net operating loss carryforwards.....	27,798	20,856
Other.....	4,075	2,743
	-----	-----
Total deferred tax assets.....	72,410	75,145
Less valuation allowance.....	(53,128)	(64,640)
	-----	-----
Total deferred tax assets less valuation allowance.....	19,282	10,505
	-----	-----
Deferred tax liabilities:		
Inventory.....	1,787	2,302
Property, plant and equipment.....	15,531	24,534
Other.....	9,131	3,565
	-----	-----
Total deferred tax liabilities.....	26,449	30,401
	-----	-----
Net deferred tax liability.....	\$ 7,167	\$19,896
	=====	=====

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

13. Taxes - (Continued)

The Company has established valuation allowances primarily for net operating losses, deferred losses as well as postretirement and pension costs as follows as of December 31:

	1999	1998
Summary of valuation allowances:		
Cumulative net operating losses.....	\$26,923	\$20,856
Deferred loss.....	2,091	7,907
Accrued postretirement and pension benefit costs.....	14,579	23,300
Other.....	9,535	12,577
	-----	-----
Total valuation allowance.....	\$53,128	\$64,640
	=====	=====

The Company has recorded valuation allowances related to its deferred income tax assets due to the uncertainty of the ultimate realization of future benefits from such assets. The 1999 net change in the valuation allowance is primarily attributable to the changes as enumerated above which are primarily related to improved realization potential and/or utilization of associated deferred tax assets.

The potential decrease or increase of the valuation allowance in the near term is dependent on the future realizability of the deferred tax assets which are primarily affected by the future profitability of operations in various worldwide jurisdictions, but primarily in the United States.

The total valuation allowances relating to acquired businesses amount to \$16.7 million and \$35.0 million at December 31, 1999 and 1998, respectively. The reduction for the current year is primarily attributable to the utilization of net operating losses and the expiration of the useful life of various deferred tax assets. Future reductions of these valuation allowances will continue to be credited to goodwill.

At December 31, 1999, the Company had net operating loss carryforwards for U.S. federal income tax purposes of \$46.8 million, all of which expire in 2012. The Company has various U.S. state net operating losses and various foreign operating losses that expire in varying amounts through 2012.

14. Other Charges, Net

Other charges, net consists primarily of foreign currency transactions, interest income, charges related to the Company's cost-reduction programs and gains on the sale of property, plant and equipment.

As part of its efforts to reduce costs, the Company evaluates from time to time the cost effectiveness of its global manufacturing strategy. In this respect, the Company recorded a charge of approximately \$8.0 million in 1999 associated with the transfer of production lines from the Americas to China and Europe and the closure of facilities. The charge comprised primarily severance and other related benefits and costs of exiting facilities, including lease termination costs and the write-down of impaired assets. In connection with these activities, the Company expects to involuntarily terminate approximately 180 employees.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

14. Other Charges, Net - (Continued)

The Company also incurred losses of \$4.1 million during 1999 in connection with the exit from its glass batching business based in Belgium. This amount primarily comprised severance and other costs of exiting this business. The Company completed its exit of this business by the end of 1999. These losses were offset by a gain of \$3.1 million recorded in connection with an asset sale.

In 1997, the Company recorded restructuring charges of \$6.3 million in connection with the closure of three facilities in North America. These charges comprised mainly severance and other related benefits and costs of exiting facilities, including lease termination costs.

A rollforward of the components of the Company's accrual for restructuring activities is as follows:

	1999	1998
	-----	-----
Beginning of the year.....	\$1,831	\$8,758
Restructuring expense.....	12,881	2,611
Reductions in workforce and other cash outflows.....	(5,902)	(9,441)
Non-cash write-downs of impaired assets.....	(3,018)	(188)
Impact of foreign currency.....	(330)	91
	-----	-----
End of the year.....	\$5,462	\$1,831
	=====	=====

The Company's accrual for restructuring activities at December 31, 1999 primarily consisted of severance, lease termination and other costs of exiting facilities.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

15. Commitments and Contingencies

Operating Leases

The Company leases certain of its facilities and equipment under operating leases. The future minimum lease payments under non-cancelable operating leases are as follows at December 31, 1999:

2000.....	\$12,100
2001.....	7,695
2002.....	5,211
2003.....	3,359
2004.....	2,351
Thereafter.....	8,645

Total.....	\$39,361
	=====

Rent expense for operating leases amounted to \$15.3 million, \$17.7 million and \$16.4 million for the years ended December 31, 1999, 1998 and 1997, respectively.

Legal

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 will have a material adverse effect on the Company's financial condition or results of operations.

16. Segment Reporting

Operating segments are the individual reporting units within the Company. These units are managed separately, and it is at this level where the determination of resource allocation is made. The units have been aggregated based on operating segments in geographical regions that have similar economic characteristics and meet the aggregation criteria of SFAS 131. The Company has determined that there are five reportable segments: Principal U.S. Operations, Principal Central European Operations, Swiss R&D and Manufacturing Operations, Other Western European Operations and Other. Principal U.S. Operations represent certain of the Company's marketing and producing organizations located in the United States. Principal Central European Operations primarily includes the Company's German marketing and producing organizations that primarily serve the German market and, to a lesser extent, Europe. Swiss R&D and Manufacturing Operations consist of the organizations located in Switzerland that are responsible for the development, production and marketing of precision instruments, including weighing, analytical and measurement technologies for use in a variety of industrial and laboratory applications. Other Western European Operations include the Company's market organizations in Western Europe that are not included in Principal Central European Operations. The Company's market organizations are geographically focused and are responsible for all aspects of the Company's sales and service. Operating segments that exist outside these reportable segments are included in Other.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on adjusted operating income (gross profit less research and development and selling, general

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

16. Segment Reporting - (Continued)

and administrative expenses before amortization and non-recurring costs). Intersegment sales and transfers are priced to reflect consideration of market conditions and the regulations of the countries in which the transferring entities are located. The following tables show the operations of the Company's operating segments:

For the year ended December 31, 1999	Principal U.S. Operations	Principal Central European Operations	Swiss R&D and Mfg. Operations	Other Western European Operations	Other (a)	Eliminations and Corporate (b)	Total
Net sales to external customers	\$356,400	\$184,021	\$ 23,832	\$267,426	\$233,794	\$ -	\$1,065,473
Net sales to other segments....	46,310	58,094	154,931	20,229	111,284	(390,848)	-
Total net sales.....	\$402,710	\$242,115	\$178,763	\$287,655	\$345,078	\$(390,848)	\$1,065,473
Adjusted operating income.....	\$ 37,255	\$23,070	\$ 32,992	\$ 25,024	\$ 30,138	\$ (24,797)	\$ 123,682
Depreciation.....	7,807	2,912	2,748	3,176	7,903	394	24,940
Total assets.....	217,202	139,726	158,160	146,955	624,528	(465,598)	820,973
Purchase of property, plant and equipment.....	7,588	2,051	2,322	4,140	10,548	2,539	29,188

For the year ended December 31, 1998	Principal U.S. Operations	Principal Central European Operations	Swiss R&D and Mfg. Operations	Other Western European Operations	Other (a)	Eliminations and Corporate (b)	Total
Net sales to external customers	\$324,455	\$181,377	\$23,554	\$220,543	\$185,729	\$ -	\$ 935,658
Net sales to other segments....	39,634	58,035	148,062	22,848	104,585	(373,164)	-
Total net sales.....	\$364,089	\$239,412	\$171,616	\$243,391	\$290,314	\$(373,164)	\$ 935,658
Adjusted operating income.....	\$ 26,283	\$ 20,314	\$ 30,155	\$ 17,795	\$ 23,576	\$ (17,143)	\$ 100,980
Depreciation.....	8,132	3,081	2,506	2,748	7,770	355	24,592
Total assets.....	166,934	146,754	142,717	125,621	597,175	(358,760)	820,441
Purchase of property, plant and equipment.....	8,296	2,957	2,922	3,562	8,886	2,010	28,633

For the year ended December 31, 1997	Principal U.S. Operations	Principal Central European Operations	Swiss R&D and Mfg. Operations	Other Western European Operations	Other (a)	Eliminations and Corporate (b)	Total
Net sales to external customers	\$311,760	\$163,976	\$ 27,174	\$209,995	\$165,510	\$ -	\$ 878,415
Net sales to other segments....	39,138	51,692	137,797	14,458	105,113	(348,198)	-
Total net sales.....	\$350,898	\$215,668	\$164,971	\$224,453	\$270,623	\$(348,198)	\$ 878,415
Adjusted operating income.....	\$ 18,973	\$ 17,479	\$ 33,708	\$ 15,242	\$ 22,350	\$ (26,211)	\$ 81,541
Depreciation.....	9,273	3,316	2,420	2,583	7,789	232	25,613
Purchase of property, plant and equipment.....	6,882	2,390	2,455	2,612	7,147	765	22,251

(a) Other includes reporting units in Asia, Eastern Europe, Latin America and segments from other countries that do not meet the aggregation criteria of SFAS 131.

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

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
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16. Segment Reporting - (Continued)

A reconciliation of adjusted operating income to earnings (loss) before taxes, minority interest and extraordinary items for the year ended December 31 follows:

	1999	1998	1997
	-----	-----	-----
Adjusted operating income.....	\$123,682	\$100,980	\$81,541
Amortization.....	10,359	7,634	6,222
Interest expense.....	21,980	22,638	35,924
Other charges, net.....	10,468	1,197	10,834
Revaluation of acquisition inventories	998	-	2,054
Purchased research and development....	-	9,976	29,959
Termination fee at IPO (a).....	-	-	2,500
	-----	-----	-----
Earnings (loss) before taxes, minority interest and extraordinary items....	\$ 79,877	\$ 59,535	\$(5,952)
	=====	=====	=====

(a) At the time of the IPO, the Company incurred fees associated with the termination of its management services agreement with AEA Investors Inc.

The Company sells precision instruments, including weighing instruments and certain analytical and measurement technologies, and related after-market support to a variety of customers and industries. None of these customers account for more than 3% of net sales. After-market support revenues are primarily derived from parts and services such as calibration, certification and repair, much of which is provided under contracts. A break-down of the Company's sales by product category for the years ended December 31 follows:

	1999	1998	1997
	-----	-----	-----
Weighing-related instruments.....	\$ 659,785	\$600,450	\$587,067
Non-weighing instruments.....	226,434	183,259	147,281
After-market.....	179,254	151,949	144,067
	-----	-----	-----
Total net sales.....	\$1,065,473	\$935,658	\$878,415
	=====	=====	=====

The breakdown of net sales by geographic customer destination and property, plant and equipment, net for the year ended December 31 are as follows:

	Net sales			Property, plant equipment, net	
	1999	1998	1997	1999	1998
	-----	-----	-----	-----	-----
United States.....	\$ 386,452	\$328,448	\$297,688	\$ 41,604	\$ 47,771
Other Americas.....	74,701	74,951	71,403	1,887	1,511
	-----	-----	-----	-----	-----
Total Americas.....	461,153	403,399	369,091	43,491	49,282
Germany.....	132,302	129,464	115,665	23,086	27,812
France.....	94,557	58,081	55,008	5,438	6,053
United Kingdom.....	44,105	41,265	38,447	5,828	5,217
Switzerland.....	42,530	40,158	34,555	99,324	119,094
Other Europe.....	174,497	161,314	152,490	6,515	5,994
	-----	-----	-----	-----	-----
Total Europe.....	487,991	430,282	396,165	140,191	164,170
Rest of World.....	116,329	101,977	113,159	16,041	16,812
	-----	-----	-----	-----	-----
Totals.....	\$1,065,473	\$935,658	\$878,415	\$199,723	\$230,264
	=====	=====	=====	=====	=====

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(In thousands unless otherwise stated)

17. Quarterly Financial Data (unaudited)

Quarterly financial data for the years ended December 31, 1999 and 1998 are as follows:

	First Quarter -----	Second Quarter (a) -----	Third Quarter (b)(c) -----	Fourth Quarter (c)(d) -----
1999				
Net sales	\$ 235,715	\$257,465	\$268,006	\$304,287
Gross profit.....	105,227	113,755	119,728	141,756
Net earnings.....	\$ 8,065	\$ 13,467	\$ 13,658	\$ 12,911
Basic earnings per common share...	\$0.21	\$0.35	\$0.35	\$0.33
Diluted earnings per common share.	\$0.20	\$0.33	\$0.33	\$0.31
Market price per share:				
High.....	\$27 15/16	\$29	\$30 7/16	\$39 1/2
Low.....	\$19 5/8	\$22 5/8	\$23 13/16	\$27 5/8
1998				
Net sales	\$215,655	\$228,446	\$225,646	\$265,911
Gross profit.....	94,607	101,667	98,879	120,315
Net earnings.....	\$ 6,838	\$ 11,397	\$ 2,530	\$ 16,860
Basic earnings per common share...	\$0.18	\$0.30	\$0.07	\$0.44
Diluted earnings per common share.	\$0.17	\$0.28	\$0.06	\$0.41
Market price per share:				
High.....	\$22 3/8	\$22 1/4	\$22 11/16	\$28 15/16
Low.....	\$16 9/16	\$18	\$16 1/4	\$16 3/4

(a) The financial data for the second quarter of 1999 includes acquisition charges of \$1.0 million regarding the revaluation of certain inventories to fair value (Note 3).

(b) The financial data for the third quarter of 1998 includes a charge of \$10.0 million for in-process research and development in connection with the Bohdan acquisition (Note 3).

(c) The financial data for the third and fourth quarters of 1998 included one-time tax benefits of approximately \$2.3 million and \$1.3 million, respectively, based upon a change in Swiss tax law which benefited only the 1998 periods.

(d) The financial data for the fourth quarter of 1999 includes a charge of approximately \$8.0 million associated with the transfer of production lines from the Americas to China and Europe and the closure of facilities (Note 14).

Schedule I

Independent Auditors' Report on Financial Statement Schedule

The Board of Directors and Shareholders
Mettler-Toledo International Inc.:

Under date of February 5, 1999, we reported on the consolidated balance sheet of Mettler-Toledo International Inc. and subsidiaries as of December 31, 1998, and the related consolidated statements of operations, shareholders' equity and cash flows for the year ended December 31, 1998, included herein. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule included under Item 14 of the Form 10-K. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

KPMG Fides Peat

Zurich, Switzerland
February 5, 1999

Schedule I- Valuation and Qualifying Accounts

Column A	Column B	Column C		Column D	Column E
Description	Balance at the beginning of period	Additions		-Deductions- describe	Balance at end of period
		(1) Charged to costs and expenses	(2) Charged to other accounts describe	Note (A)	
Accounts Receivable- allowance for doubtful accounts:					
Year ended December 31, 1999	9,443	1,867	-	1,483	9,827
Year ended December 31, 1998	7,669	2,008	-	234	9,443
Year ended December 31, 1997	8,388	1,516	-	2,235	7,669

Note A
 Represents excess of uncollectable balances written off over recoveries of accounts previously written off. Additionally, amounts are net of foreign currency translation effect of \$(691), \$239 and \$(552) for the years ended December 31, 1999, 1998 and 1997, respectively.

Exhibit 3.2

AMENDED BY-LAWS

OF

METTLER-TOLEDO INTERNATIONAL INC.

ARTICLE I

Stockholders

SECTION 1. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held on such date, at such time and at such place within or without the State of Delaware as may be designated by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may be properly brought before the meeting.

SECTION 2. Special Meetings. Except as otherwise provided in the Certificate of Incorporation, a special meeting of the stockholders of the Corporation may be called at any time by the Board of Directors, the Chairman of the Board or the President and shall be called by the Chairman of the Board, the President or the Secretary at the request in writing of stockholders holding together at least twenty-five percent of the number of shares of stock outstanding and entitled to vote at such meeting. Any special meeting of the stockholders shall be held on such date, at such time and at such place within or without the State of Delaware as the Board of Directors or the officer calling the meeting may designate. At a special meeting of the stockholders, no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting unless all of the stockholders are present in person or by proxy, in which case any and all business may be transacted at the meeting even though the meeting is held without notice.

SECTION 3. Notice of Meetings. Except as otherwise provided in these BY-LAWS or by law, a written notice of each meeting of the stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of the Corporation entitled to vote at such meeting at his address as it appears on the records of the Corporation. The notice shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

SECTION 4. Quorum. At any meeting of the stockholders, the holders of a majority in number of the total outstanding shares of stock of the Corporation entitled to vote at such meeting, present in person or represented by proxy, shall constitute a quorum of the stockholders for all purposes, unless the representation of a larger number of shares shall be required by law, by the Certificate of Incorporation or by these By-Laws, in which case the representation of the number of shares so required shall constitute a quorum; provided that at any meeting of the stockholders at which the holders of any class of stock of the Corporation shall be entitled to vote separately as a class, the holders of a majority in number of the total outstanding shares of such class, present in person or represented by proxy, shall constitute a quorum for purposes of such class vote unless the representation of a larger number of shares of such class shall be required by law, by the Certificate of Incorporation or by these By-Laws.

Exhibit 3.2

SECTION 5. Adjourned Meetings. Whether or not a quorum shall be present in person or represented at any meeting of the stockholders, the holders of a majority in number of the shares of stock of the Corporation present in person or represented by Proxy and entitled to vote at such meeting may adjourn from time to time; provided, however, that if the holders of any class of stock of the Corporation are entitled to vote separately as a class upon any matter at such meeting, any adjournment of the meeting in respect of action by such class upon such matter shall be determined by the holders of a majority of the shares of such class present in person or represented by proxy and entitled to vote at such meeting. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the stockholders, or the holders of any class of stock entitled to vote separately as a class, as the case may be, may transact any business which might have been transacted by them at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

SECTION 6. Organization. The Chairman of the Board or, in his absence, the President shall call all meetings of the stockholders to order, and shall act as Chairman of such meetings. In the absence of the Chairman of the Board and the President, the holders of a majority in number of the shares of stock of the Corporation present in person or represented by proxy and entitled to vote at such meeting shall elect a Chairman.

The Secretary of the Corporation shall act as Secretary of all meetings of the stockholders; but in the absence of the Secretary, the Chairman may appoint any person to act as Secretary of the meeting. It shall be the duty of the Secretary to prepare and make, at least ten days before every meeting of stockholders, a complete list of stockholders entitled to vote at such meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held, for the ten days next preceding the meeting, to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, and shall be produced and kept at the time and place of the meeting during the whole time thereof and subject to the inspection of any stockholder who may be present.

SECTION 7. Voting. Except as otherwise provided in the Certificate of Incorporation or by law, each stockholder shall be entitled to one vote for each share of the capital stock of the Corporation registered in the name of such stockholder upon the books of the Corporation. Each stockholder entitled to vote at meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. When directed by the presiding officer or upon the demand of any stockholder, the vote upon any matter before a meeting of stockholders shall be by ballot. Except as otherwise provided by law or by the Certificate of Incorporation, Directors shall be elected by a plurality of the votes cast at a meeting of stockholders by the stockholders entitled to vote in the election and, whenever any corporate action, other than the election of Directors is to be taken, it shall be authorized by a majority of the votes cast at a meeting of stockholders by the stockholders entitled to vote thereon.

Exhibit 3.2

Shares of the capital stock of the Corporation belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes.

SECTION 8. Inspectors. When required by law or directed by the presiding officer or upon the demand of any stockholder entitled to vote, but not otherwise, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions touching the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided at any meeting of the stockholders by two or more Inspectors who may be appointed by the Board of Directors before the meeting, or if not so appointed, shall be appointed by the presiding officer at the meeting. If any person so appointed fails to appear or act, the vacancy may be filled by appointment in like manner.

SECTION 9. Consent of Stockholder in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required to be taken or which may be taken at any annual or special meeting of the stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of any such corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

SECTION 10. Advance Notice Provisions for Election of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 10 and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section 10.

In addition to any other applicable requirements, for a nomination to be made by a stockholder such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (a) in the case of an annual meeting, not less than sixty (60) days nor more than ninety (90) days prior to the date of the annual meeting; provided, however, that in the event that less than seventy (70) days notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting

Exhibit 3.2

was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice (i) the name and record address of such stockholder, (ii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy, at the meeting to nominate the persons named in its notice and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 10. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

SECTION 11. Advance Notice Provisions for Business to be Transacted at Annual Meeting. No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 11 and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 11.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the date of the annual meeting; provided, however, that in the event that less than seventy (70) days notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day

Exhibit 3.2

following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 11, provided, however that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 11 shall be deemed to preclude discussion by any stockholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

SECTION 12. Order of Business. The order of business at all meetings of the stockholders shall be determined by the Chairman of the meeting.

ARTICLE II Board of Directors

SECTION 1. Number and Term of Office. The business and affairs of the Corporation shall be managed by or under the direction of eight (8) Directors, who need not be stockholders of the Corporation. The Directors shall, except as hereinafter otherwise provided for filling vacancies, be elected at the annual meeting of stockholders, and shall hold office until their respective successors are elected and qualified or until their earlier resignation or removal. The number of Directors may be altered from time to time by amendment of these By-Laws.

SECTION 2. Removal, Vacancies and Additional Directors. The stockholders may, at any special meeting the notice of which shall state that it is called for that purpose, remove, with or without cause, any Director and fill the vacancy; provided that whenever any Director shall have been elected by the holders of any class of stock of the Corporation voting separately as a class under the provisions of the Certificate of Incorporation, such Director may be removed and the vacancy filled only by the holders of that class of stock voting separately as a class. Vacancies caused by any such removal and not filled by the stockholders at the meeting at which such removal shall have been made, or any vacancy caused by the death or resignation of any Director or for any other reason, and any newly created directorship resulting from any increase in the authorized number of Directors, may be filled by the affirmative vote of a majority of the Directors then in office,

Exhibit 3.2

although less than a quorum, and any Director so elected to fill any such vacancy or newly created directorship shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

When one or more Directors shall resign effective at a future date, a majority of Directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office as herein provided in connection with the filling of other vacancies.

SECTION 3. Place of Meeting. The Board of Directors may hold its meetings in such place or places in the State of Delaware or outside the State of Delaware as the Board from time to time shall determine.

SECTION 4. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board from time to time by resolution shall determine. No notice shall be required for any regular meeting of the Board of Directors; but a copy of every resolution fixing or changing the time or place of regular meetings shall be mailed to every Director at least five days before the first meeting held in pursuance thereof.

SECTION 5. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by direction of the Chairman of the Board, the President or by any two of the Directors then in office.

Notice of the day, hour and place of holding of each special meeting shall be given by mailing the same at least two days before the meeting or by causing the same to be delivered personally or transmitted by telegraph, facsimile, telex or sent by certified, registered or overnight mail at least one day before the meeting to each Director. Unless otherwise indicated in the notice thereof, any and all business other than an amendment of these By-Laws may be transacted at any special meeting, and an amendment of these By-Laws may be acted upon if the notice of the meeting shall have stated that the amendment of these By-Laws is one of the purposes of the meeting. At any meeting at which every Director shall be present, even though without any notice, any business may be transacted, including the amendment of these By-Laws.

SECTION 6. Quorum. Subject to the provisions of Section 2 of this Article II, a majority of the members of the Board of Directors in office (but in no case less than one-third of the total number of Directors nor less than two Directors) shall constitute a quorum for the transaction of business and the vote of the majority of the Directors present at any meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors, If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time.

SECTION 7. Organization. The Chairman of the Board or, in his absence, the President shall preside at all meetings of the Board of Directors. In the absence of the Chairman of the Board and the President, a Chairman shall be elected from the Directors present. The Secretary of the Corporation shall act as Secretary of all meetings of the Directors; but in the absence of the Secretary, the Chairman may appoint any person to act as Secretary of the meeting.

SECTION 8. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to

Exhibit 3.2

consist of one or more of the Directors of the Corporation. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided by resolution passed by a majority of the whole Board, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and the affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporations property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending these By-Laws; and unless such resolution, these By-Laws, or the Certificate of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

SECTION 9. Conference Telephone Meetings. Unless otherwise restricted by the Certificate of Incorporation or by these By-Laws, the members of the Board of Directors or any committee designated by the Board, may participate in a meeting of the Board or such committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

SECTION 10. Consent of Directors or Committee in Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or by these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board or committee, as the case may be.

ARTICLE III Officers

SECTION 1. Officers. The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice Presidents, a Chief Financial Officer, a Secretary and a Treasurer, and such additional officers, if any, as shall be elected by the Board of Directors pursuant to the provisions of

Section 7 of this Article III. The Chairman of the Board, the President, one or more Vice Presidents, a Chief Financial Officer, the Secretary and the Treasurer shall be elected by the Board of Directors at its first meeting after each annual meeting of the stockholders. The failure to hold such election shall not of itself terminate the term of office of any officer. All officers shall hold office at the pleasure of the Board of Directors. Any officer may resign at any time upon written notice to the Corporation. Officers may, but need not, be Directors. Any number of offices may be held by the same person.

All officers, agents and employees shall be subject to removal, with or without cause, at any time by the Board of Directors. The removal of an officer without cause shall be without prejudice to his contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. All agents and employees other than officers elected

Exhibit 3.2

by the Board of Directors shall also be subject to removal, with or without cause, at any time by the officers appointing them.

Any vacancy caused by the death of any officer, his resignation, his removal, or otherwise, may be filled by the Board of Directors, and any officer so elected shall hold office at the pleasure of the Board of Directors.

In addition to the powers and duties of the officers of the Corporation as set forth in these By-Laws, the officers shall have such authority and shall perform such duties as from time to time may be determined by the Board of Directors.

SECTION 2. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the stockholders and at all meetings of the Board of Directors and shall have such other powers and perform such other duties as may from time to time be assigned to him by these By-Laws or by the Board of Directors.

SECTION 3. Powers and Duties of the President. The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors and the Chairman of the Board, shall have general charge and control of all its operations and shall perform all duties incident to the office of President. In the absence of the Chairman of the Board, he shall preside at all meetings of the stockholders and at all meetings of the Board of Directors and shall have such other powers and perform such other duties as may from time to time be assigned to him by these By-Laws or by the Board of Directors or the Chairman of the Board.

SECTION 4. Powers and Duties of the Vice Presidents. Each Vice President shall perform all duties incident to the office of Vice President and shall have such other powers and perform such other duties as may from time to time be assigned to him by these By-Laws or by the Board of Directors, the Chairman of the Board or the President.

SECTION 5. Powers and Duties of the Chief Financial Officer. The Chief Financial Officer shall be the principal financial officer of the Corporation, and shall be in charge of, and have control over, all financial accounting and tax matters regarding the Corporation. The Chief Financial Officer shall have such other powers and perform such other duties as may from time to time be assigned to him by these By-Laws or by the Board of Directors, the Chairman of the Board or the President.

SECTION 6. Powers and Duties of the Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the stockholders in books provided for that purpose; he shall attend to the giving or serving of all notices of the Corporation; he shall have custody of the corporate seal of the Corporation and shall affix the same to such documents and other papers as the Board of Directors, the Chairman of the Board or the President shall authorize and direct; he shall have charge of the stock certificate books, transfer books and stock ledgers and such other books and papers as the Board of Directors, the Chairman of the Board or the President shall direct, all of which shall at reasonable times be open to the examination of any Director, upon application, at the office of the Corporation during business hours; and he shall perform duties incident to the office of Secretary and shall also have such other powers and shall perform such other duties as may from time to time be assigned to him by these By-Laws or the Board of Directors, the Chairman of the Board or the President.

Exhibit 3.2

SECTION 7. Powers and Duties of the Treasurer. The Treasurer shall act at the direction of the Chief Financial Officer. At the direction of the Chief Financial Officer, the Treasurer shall have custody of, and when proper shall pay out, disburse or otherwise dispose of, all funds and securities of the Corporation which may have come into his hands; he may endorse on behalf of the Corporation for collection checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depository or depositories as the Board of Directors may designate; he shall enter or cause to be entered regularly in the books of the Corporation kept for the purpose full and accurate accounts of all moneys received or paid or otherwise disposed of by him and whenever required by the Board of Directors, or the President or Chief Financial Officer shall render statements of such accounts; he shall, at all reasonable times, exhibit his books and accounts to any Director of the Corporation upon application at the office of the Corporation during business hours; and he shall perform all duties incident to the office of Treasurer and shall also have such other powers and shall perform such other duties as may from time to time be assigned to him by these By-Laws or by the Board of Directors, the Chairman of the Board, or the President or the Chief Financial Officer.

SECTION 8. Additional Officers. The Board of Directors may from time to time elect such other officers (who may but need not be Directors), including a Controller, Assistant Treasurers, Assistant Secretaries and Assistant Controllers, as the Board may deem advisable and such officers shall have such authority and shall perform such duties as may from time to time be assigned to them by the Board of Directors, the Chairman of the Board or the President.

The Board of Directors may from time to time by resolution delegate to any Assistant Treasurer or Assistant Treasurers any of the powers or duties herein assigned to the Treasurer; and may similarly delegate to any Assistant Secretary or Assistant Secretaries any of the powers or duties herein assigned to the Secretary.

SECTION 9. Giving of Bond by Officers. All officers of the Corporation, if required to do so by the Board of Directors, shall furnish bonds to the Corporation for the faithful performance of their duties, in such penalties and with such conditions and security as the Board shall require.

SECTION 10. Voting Upon Stocks. Unless otherwise ordered by the Board of Directors, the Chairman of the Board, the President or any Vice President shall have full power and authority on behalf of the Corporation to attend and to act and to vote, or in the name of the Corporation to execute proxies to vote, at any meetings of stockholders of any corporation in which the Corporation may hold stock, and at any such meetings shall possess and may exercise, in person or by proxy, any and all rights, powers and privileges incident to the ownership of such stock. The Board of Directors may from time to time, by resolution, confer like powers upon any other person or persons.

SECTION 11. Compensation of Officers. The officers of the Corporation shall be entitled to receive such compensation for their services as shall from time to time be determined by the Board of Directors.

Exhibit 3.2

ARTICLE IV Stock-Seal-Fiscal Year

SECTION 1. Certificates For Shares of Stock. The certificates for shares of stock of the Corporation shall be in such form, not inconsistent with the Certificate of Incorporation, as shall be approved by the Board of Directors. All certificates shall be signed by the Chairman of the Board, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and shall not be valid unless so signed.

In case any officer or officers who shall have signed any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates had not ceased to be such officer or officers of the Corporation.

All certificates for shares of stock shall be consecutively numbered as the same are issued. The name of the person owning the shares represented thereby with the number of such shares and the date of issue thereof shall be entered on the books of the Corporation.

Except as hereinafter provided, all certificates surrendered to the Corporation for transfer shall be canceled, and no new certificates shall be issued until former certificates for the same number of shares have been surrendered and canceled.

SECTION 2. Lost, Stolen or Destroyed Certificates. Whenever person owning a certificate for shares of stock of the Corporation alleges that it has been lost stolen or destroyed, he shall in the office of the Corporation an affidavit setting forth, to the best of his knowledge and belief, the time, place and circumstances of the loss, theft or destruction, and, if required by the Board of Directors, a bond of indemnity or other indemnification sufficient in the opinion of the Board of Directors to indemnify the Corporation and its agents against any claim that may be made against it or them on account of the alleged loss, theft or destruction of any such certificate or the issuance of a new certificate in replacement therefor. Thereupon the Corporation may cause to be issued to such person a new certificate in replacement for the certificate alleged to have been lost, stolen or destroyed. Upon the stub of every new certificate so issued shall be noted the fact of such issue and the number, date and the name of the registered owner of the lost, stolen or destroyed certificate in lieu of which the new certificate is issued.

SECTION 3. Transfer of Shares. Shares of stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof, in person or by his attorney duly authorized in writing, upon surrender and cancellation of certificates for the number of shares of stock to be transferred, except as provided in the preceding section.

SECTION 4. Regulations. The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting or

Exhibit 3.2

entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock Or for the purpose of any other lawful action, as the case may be, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed; and the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 6. Dividends. Subject to the provisions of the Certificate of Incorporation, the Board of Directors shall have power to declare and pay dividends upon shares of stock of the Corporation, but only out of funds available for the payment of dividends as provided by law.

Subject to the provisions of the Certificate of Incorporation, any dividends declared upon the stock of the Corporation shall be payable on such date or dates as the Board of Directors shall determine. If the date fixed for the payment of any dividend shall in any year fall upon a legal holiday, then the dividend payable on such date shall be paid on the next day not a legal holiday.

SECTION 7. Corporate Seal. The Board of Directors shall provide a suitable seal, containing the name of the Corporation, which seal shall be kept in the custody of the Secretary. A duplicate of the seal may be kept and be used by any officer of the Corporation designated by the Board of Directors, the Chairman of the Board or the President.

SECTION 8. Fiscal Year. The fiscal year of the Corporation shall be such fiscal year as the Board of Directors from time to time by resolution shall determine.

ARTICLE V Miscellaneous Provisions

SECTION 1. Checks, Notes, Etc. All checks, drafts, bills of exchange, acceptances, notes or other obligations or orders for the payment of money shall be signed and, if so required by the Board of Directors, countersigned by such officers of the Corporation and/or other persons as the Board of Directors from time to time shall designate.

Checks, drafts, bills of exchange, acceptances, notes, obligations and orders for the payment of money made payable to the Corporation may be endorsed for deposit to the

Exhibit 3.2

credit of the Corporation with a duly authorized depository by the Treasurer, or otherwise as the Board of Directors may from time to time, by resolution, determine.

SECTION 2. Loans. No loans and no renewals of any loans shall be contracted on behalf of the Corporation except as authorized by the Board of Directors. When authorized so to do, any officer or agent of the Corporation may effect loans and advances for the Corporation from any bank, trust company or other institution or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the Corporation. When authorized so to do, any officer or agent of the Corporation may pledge, hypothecate or transfer, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, any and all stocks, securities and other personal property at any time held by the Corporation, and to that end may endorse, assign and deliver the same. Such authority may be general or confined to specific instances.

SECTION 3. Waivers of Notice. Whenever any notice whatever is required to be given by law, by the Certificate of Incorporation or by these By-Laws to any person or persons, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 4. Offices Outside of Delaware. Except as otherwise required by the laws of the State of Delaware, the Corporation may have an office or offices and keep its books, documents and papers outside of the State of Delaware at such place or places as from time to time may be determined by the Board of Directors, the Chairman of the Board or the President.

SECTION 5. Indemnification of Directors Officers and Employees. The Corporation shall indemnify to the full extent authorized by law any person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director, officer, employee or agent of the Corporation or is or was serving, at the request of the Corporation, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE VI Amendments

These By-Laws and any amendment thereof may be altered, amended or repealed, or new By-Laws may be adopted, by the Board of Directors at any regular or special meeting by the affirmative vote of a majority of all of the members of the Board, provided in the case of any special meeting at which all of the members of the Board are not present, that the notice of such meeting shall have stated that the amendment of these By-Laws was one of the purposes of the meeting; but these By-Laws and any amendment thereof, including the By-Laws adopted by the Board of Directors, may be altered, amended or repealed and other By-Laws may be adopted by the holders of a majority of the total outstanding stock of the Corporation entitled to vote at any annual meeting or at any special meeting, provided, in the case of any special meeting, that notice of such proposed alteration, amendment, repeal or adoption is included in the notice of the meeting.

Exhibit 10.7

POBS Plus -
Incentive System for Senior Management of METTLER TOLEDO

Regulations, valid as of March 14, 2000

1. Objectives and Participants

With this incentive plan our aim is to pursue two main objectives:

- o To orient the remuneration of senior managers directly to the achievement of annual operating plan targets and to give a special reward for reaching and exceeding the plan.
- o To emphasize the responsibility of each participant for the top-ranking interest of the Group and to promote the attainment of the overall corporate goals and success of the corporation.

Participation in the POBS Plus incentive scheme is determined by the Group Management Committee and must be agreed in writing.

Criteria for participation are:

- o Key management function which by virtue of its tasks and the performance of its jobholder can significantly influence and contribute to the overall success of the entire Group.
- o Managers with leadership skills and high professional competence.

2. General Principles

2.1 In addition to the yearly base salary, participants are eligible for a bonus which is based and calculated on the grade of target achievement. This bonus is a percentage multiple of the base salary ranging from 0 - 150 %.

2.2 Bonus Scale

- o The bonus starts after 90 % target achievement and can go up to a maximum of 130 % target achievement.
- o Within this span, for each point of target achievement, 3.75 % of the base salary are calculated as bonus.

Exhibit 10.7

2.3 Targets

All targets in POBS Plus are closely related to the yearly budgets and business plans.

As a general rule, POBS Plus includes the following target categories and weighting:

A	Group targets	50 %
B	Operative unit targets	40 %
C	Personal targets	10 %

Target parameters and respective weighting within a category for typical functions in POBS Plus are established for each business year in the respective POBS Plus Scheme.

Typical parameters within A and B category and their relative weighting are:

OPBIT 70 %
OCF 1 30 %

With B category, also sales, inventory turnover, tax savings, interest payments (for finance / control functions) can be defined.

Each individual target is given a weighting of minimum 5 %. The total number of targets defined should not exceed 10 and the sum of the weightings must equal 100 %.

Based on the approved budget of the Group and Operative Units, the POBS Plus Rules which quantify the actual values and levels of target achievement per category and parameter are established.

Both, POBS Plus Scheme and Rules are proposed per business year by the Group Management Committee and they have to be approved by the Compensation Committee.

3. Target Setting

3.1 The requirements for complete and proper target achievement (100 %) should be challenging and ambitious, on the other hand they have to be realistic and attainable. For each participant they should be set in such a way that they can be fulfilled clearly and to the full extent.

3.2 Personal targets (category C) are agreed at the beginning of each business year for each participant with his / her supervisor. They need to be clearly measurable.

Exhibit 10.7

3.3 For each participant, a POBS Plus Target Achievement Sheet lists per business year all targets set incl. their weighting and the corresponding values / levels in line with the corresponding POBS Plus Rules.

4. Target Assessment

4.1 At the end of the business year, target achievement is assessed by the superior manager for each participant.

The degree of achievement of each individual target (range 90 % to max. 130 %) is multiplied by the weighting of the individual target to give a points award for each individual target. The total score for all targets lies between 90 and 130 points which number also corresponds to the overall percentage of target achievement.

4.2 Personal targets (C category) are evaluated as follows:

Target Achievement

90 % Target not reached - result unsatisfactory 100 % Target reached, corresponding to the requirements - good result 110 % Clearly more than target achieved, requirements clearly exceeded, in terms of value, time limits, quality, additional related success - very good result 120 % Target achievement outstanding, additional major benefits/success for the company reached, excellent result 130 % Target achievement exceptional, extraordinary additional value to the company - unique result.

5. Bonus Calculation

The bonus is calculated in a percentage of the yearly base salary and can vary from 0 to 150 % of this base salary depending on the total sum of points reached in the target assessment.

Each full point above 90 and up to a maximum of 130 corresponds to a bonus amount of 3.75 % of the base salary.

"Bonus Formula":

$(\text{Target Points} - 90 \text{ Points}) \times 3.75 = \text{Bonus in \% of base salary}$

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Example

- Base Salary: 120'000
- Target Achievement 109.55 % or Points

$(109.55 - 90) \times 3.75 = 73.3125$ % of base salary

- Bonus: 87'975

6. Payment

During the salary year (Jan. 1 - Dec. 31 of the calendar year or April 1 - March 31 of the following year), the annual base salary will be paid, normally divided in 12 equal monthly installments. The distribution of this basic amount, however, can vary in certain countries.

The Company represented by the Group Management Committee can elect to make a payment on account of the expected bonus in December of the relevant business year which is calculated on a provisional basis using projected results. The amount of such payment on account cannot exceed 50 % of the presumable bonus.

The final bonus is calculated as soon as the results of the business year and the assessment of the target achievement are known. Payment (or deduction) adjusted by any payment on account is usually made until April following the end of the business year.

7. Termination of Employment during the Business Year

In case of termination in the first half-year of the business year, the bonus is paid pro rata on a set 95 % target achievement. In case of termination of employment in the second half-year, target achievement is measured at the end of the year (usual procedure) and the bonus calculated accordingly will be paid pro rata.

8. Accounting Rules for Bonus Payments

Bonus payments are accounted for in the business year to which the bonus belongs. Appropriate accruals have to be made for this purpose in the year end closing. Carry over into accounts of the payout year are not allowed.

For the Group Management Committee:

Peter Burker
Head Human Resources

Exhibit 10.11

EMPLOYMENT AGREEMENT

AGREEMENT made this 10th day of November, 1997, by and between Mettler-Toledo GmbH („the Company"), and Peter Burker (the „Executive").

The Executive is presently employed as Head of Human Resources and as Member of the Group Management Committee Europe of the METTLER TOLEDO Group („METTLER TOLEDO").

The Board of Directors of the ultimate parent company (the „Board") recognizes that the Executive's contribution to the growth and success of METTLER TOLEDO has been substantial. The Board desires to provide for the continued employment of the Executive and to make certain changes in the Executive's employment arrangements with the Company which the Board has determined will reinforce and encourage the continued attention and dedication to METTLER TOLEDO of the Executive as a member of METTLER TOLEDO's management, in the best interest of METTLER TOLEDO and its shareholders. The Executive is willing to commit himself to continue to serve METTLER TOLEDO, on the terms and conditions herein provided.

In order to effect the foregoing, the Company and the Executive wish to enter into an employment agreement on the terms and conditions set forth below. Accordingly, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Employment.

The Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to continue to serve METTLER TOLEDO, on the terms and conditions set forth herein.

SECTION 2. Term.

This Agreement enters into force as of November 10, 1997. It is of unlimited duration.

SECTION 3. Position and Duties.

During the Term, the Executive shall serve as Head of Human Resources and as Member of the Group Management Committee Europe of METTLER TOLEDO and shall have such responsibilities, duties and authority as he may have as of the date hereof and as may from time to time be assigned to the Executive by the Board that are consistent with such responsibilities, duties and authority.

SECTION 4. Place of Performance.

In connection with the Executive's employment by the Company, the Executive shall be based at the principal executive offices of METTLER TOLEDO in Greifensee, Switzerland, except for required travel on METTLER TOLEDO's business to an extent substantially consistent with present business travel obligations.

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SECTION 5. Compensation and Related Matters.

(a) **Salary.** During the Term, the Company shall pay to the Executive an annual base salary at a rate of CHF 182'400.-- or such higher rate as may from time to time be determined by the Board, such salary to be paid in substantially equal installments in accordance with the Company's payroll practices for its senior executives. This salary may be increased from time to time in accordance with normal business practices of the Company. Compensation of the Executive by salary payments shall not be deemed exclusive and shall not prevent the Executive from participating in any other compensation or benefit plan of the Company. The salary payments (including any increased salary payments) hereunder shall not in any way limit or reduce any other obligation of the Company hereunder, and no other compensation, benefit or payment hereunder shall in any way limit or reduce the obligation of the Company to pay the Executive's salary hereunder.

(b) **Bonus.** During the Term, the Executive shall be entitled to earn annual incentive compensation in accordance with the POBS Plus Plan for Senior Management, as attached hereto as Exhibit A1.

(c) **Expenses.**

(i) Expenses shall be reimbursed according to the Company expense regulations as amended from time to time.

(ii) In addition the Executive is entitled to flat compensation for minor expenses according to the Group Management Committee Europe Supplement to the expense regulations, as amended from time to time, as attached hereto as Exhibit B1.

(d) **Other Benefits.**

(i) The Company shall maintain in full force and effect, and the Executive shall be entitled to continue to participate in, all of the Company's insurance benefit plans and arrangements in effect on the date hereof in which the Executive participates or plans or arrangements providing the Executive with at least equivalent benefits thereunder (including, without limitation, the Mettler-Toledo Fonds pension scheme for senior management, and the Company's accident plan and disability plan), provided that the Company shall not make any changes in such plans or arrangements that would adversely affect the Executive's rights or benefits thereunder; provided, however, that, such a change may be made, including termination of such plans or arrangements if it occurs pursuant to a program applicable to all executives of the Company and does not result in a proportionately greater reduction in the rights of or benefits to the Executive as compared with any other executive of the Company. The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to the Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary payable to the Executive pursuant to paragraph (a) of this Section.

Exhibit 10.11

(ii) The Executive shall be entitled to participation in the (x) Mettler-Toledo Group Management Committee Stock Purchase Plan, and (y) the Mettler-Toledo Management Share Option Plan, each as may be amended from time to time.

(iii) Any payments or benefits payable to the Executive under this Agreement in respect of any calendar year during which the Executive is employed by the Company for less than the entire such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of full and partial months in such calendar year during which he is so employed.

(e) Vacations. The Executive shall be entitled to no less than 30 paid vacation days in each calendar year. The Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

SECTION 6. Offices.

Subject to Sections 3 and 4, the Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of any of METTLER TOLEDO's group companies, and in one or more executive offices of any of METTLER TOLEDO's group companies.

SECTION 7. Termination.

a) This Agreement may be terminated by either party with or without cause giving twelve (12) months notice to the end of a calendar month, subject, however, to the provisions allowing for immediate termination according to Article 337 of the Swiss Code of Obligations („Article 337").

b) The Executive may terminate his employment under Article 337 in case of failure by the Company to comply with any material provision of this Agreement.

SECTION 8. Compensation upon Termination.

During the notice period, the Executive is entitled to full compensation as defined in Section 5 of this Agreement and in the annexes / exhibits therein referred to.

SECTION 9. No Mitigation or Offset / Noncompetition.

During notice periods, the Company may waive the services of the Executive. If the Company so decides, the Executive shall have no duty to mitigate damages by seeking another employment or otherwise, nor shall the amount of any payment or benefit due under Section 5 be reduced by any compensation earned by the Executive as the result of an employment by another employer, by retirement benefits (other than as paid by the Company or under Company benefits schemes) or by offset against any amount claimed to be owed by the Executive to the Company. While the Executive is employed by the Company hereunder and for a period of twelve (12) months after the termination of the Executive's employment, the Executive shall not knowingly engage in or be employed by any business anywhere in the world which competes with the principal businesses of the Company or its affiliates as conducted at the date of such employment termination.

Exhibit 10.11

SECTION 10. Successors; Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and / or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to under Sections 7 and 8 hereof if the Company had terminated his employment under Section 7 (a) hereof. As used in this Agreement, „Company" shall mean the Company as herein before defined and any successor to its business and / or assets as aforesaid which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) If the Executive should die after the giving of notice pursuant to Section 7 but while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate. If the Executive should die before the giving of such notice under Section 7 and while he is employed pursuant to this Agreement, the Company shall continue to pay to the Executive's estate his salary for the period of six months from the date of such death and a pro rata portion of the bonus, if any, payable for the year in which the Executive died.

SECTION 11. Notice.

For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by US or Swiss certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Mr. Peter Burker
Eichenweg 37
CH-8121 Benglen
Switzerland

If to the Company:

Mettler-Toledo GmbH
Im Langacher
8606 Greifensee
Switzerland

Attn.: Chief Executive Officer

Exhibit 10.11

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 12. Miscellaneous.

No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Insofar as this Agreement does not stipulate anything else to the contrary, the General Rules of Employment („Allgemeine Arbeitsvertragliche Bestimmungen / AVB") of the Company shall be applicable. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Switzerland.

SECTION 13. Validity.

The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

SECTION 14. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

SECTION 15. Disputes.

All disputes between the Executive and the Company concerning the terms and conditions of this Agreement shall be brought before the ordinary courts in the Canton of Zurich, Switzerland.

SECTION 16. Entire Agreement.

This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and canceled.

Exhibit 10.11

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

Mettler-Toledo GmbH,

by:

Robert F. Spoerry

by:
Friedrich Ort

by:
Peter Burker

Exhibit 10.12

Employment Agreement

AGREEMENT made this 26th day of January 2000, by and between Mettler-Toledo GmbH („the Company"), and Daniel G. Schillinger (the „Executive").

The Company and the Executive wish to enter into an employment agreement on the terms and conditions set forth below. Accordingly, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Employment.

The Company hereby agrees to employ the Executive, and the Executive hereby agrees to serve METTLER TOLEDO, on the terms and conditions set forth herein.

SECTION 2. Term.

This Agreement enters into force as of January 1, 2000. It is of unlimited duration.

SECTION 3. Position and Duties.

During the Term, the Executive shall serve as Head of the Laboratory Division and as Member of the Group Management Committee of METTLER TOLEDO and shall have such responsibilities, duties and authority as he may have as of the date hereof and as may from time to time be assigned to the Executive by the Board that are consistent with such responsibilities, duties and authority.

SECTION 4. Place of Performance.

In connection with the Executive's employment by the Company, the Executive shall be based at the principal executive offices of METTLER TOLEDO in Greifensee, Switzerland, except for required travel on METTLER TOLEDO's business to an extent substantially consistent with present business travel obligations.

SECTION 5. Compensation and Related Matters.

(a) Salary. During the Term, the Company shall pay to the Executive an annual base salary at a rate of CHF 276'000.-- or such higher rate as may from time to time be determined by the Board, such salary to be paid in substantially equal installments in accordance with the Company's payroll practices for its senior executives. This salary may be increased from time to time in accordance with normal business practices of the Company. Compensation of the Executive by salary payments shall not be deemed exclusive and shall not prevent the Executive from participating in any other compensation or benefit plan of the Company. The salary payments (including any increased salary payments) hereunder shall not in any way limit or reduce any other obligation of the Company hereunder, and no other compensation, benefit or payment hereunder shall in any way limit or reduce the obligation of the Company to pay the Executive's salary hereunder.

Exhibit 10.12

(b) Bonus. During the Term, the Executive shall be entitled to earn annual incentive compensation in accordance with the POBS Plus Plan for Senior Management, as attached hereto as Exhibit A1.

(c) Expenses.

(i) Expenses shall be reimbursed according to the Company expense regulations as amended from time to time.

(ii) In addition the Executive is entitled to flat compensation for minor expenses according to the Group Management Committee Europe Supplement to the expense regulations, as amended from time to time, as attached hereto as Exhibit B1.

(d) Other Benefits.

(i) The Company shall maintain in full force and effect, and the Executive shall be entitled to continue to participate in, all of the Company's insurance benefit plans and arrangements in effect on the date hereof in which the Executive participates or plans or arrangements providing the Executive with at least equivalent benefits thereunder (including, without limitation, the Mettler-Toledo Fonds pension scheme for senior management, and the Company's accident plan and disability plan), provided that the Company shall not make any changes in such plans or arrangements that would adversely affect the Executive's rights or benefits thereunder; provided, however, that, such a change may be made, including termination of such plans or arrangements if it occurs pursuant to a program applicable to all executives of the Company and does not result in a proportionately greater reduction in the rights of or benefits to the Executive as compared with any other executive of the Company. The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to the Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary payable to the Executive pursuant to paragraph (a) of this Section.

(ii) The Executive shall be entitled to participation in the METTLER TOLEDO Stock Option Plan as may be amended from time to time.

(iii) Any payments or benefits payable to the Executive under this Agreement in respect of any calendar year during which the Executive is employed by the Company for less than the entire such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of full and partial months in such calendar year during which he is so employed.

(e) Vacations. The Executive shall be entitled to no less than 30 paid vacation days in each calendar year. The Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

Exhibit 10.12

SECTION 6. Offices.

Subject to Sections 3 and 4, the Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of any of METTLER TOLEDO's group companies, and in one or more executive offices of any of METTLER TOLEDO's group companies.

SECTION 7. Termination.

a) This Agreement may be terminated by either party with or without cause giving twelve (12) months notice to the end of a calendar month, subject, however, to the provisions allowing for immediate termination according to Article 337 of the Swiss Code of Obligations („Article 337").

b) The Executive may terminate his employment under Article 337 in case of failure by the Company to comply with any material provision of this Agreement.

SECTION 8. Compensation upon Termination.

During the notice period, the Executive is entitled to full compensation as defined in Section 5 of this Agreement and in the annexes / exhibits therein referred to.

SECTION 9. No Mitigation or Offset / Noncompetition.

During notice periods, the Company may waive the services of the Executive. If the Company so decides, the Executive shall have no duty to mitigate damages by seeking another employment or otherwise, nor shall the amount of any payment or benefit due under Section 5 be reduced by any compensation earned by the Executive as the result of an employment by another employer, by retirement benefits (other than as paid by the Company or under Company benefits schemes) or by offset against any amount claimed to be owed by the Executive to the Company. While the Executive is employed by the Company hereunder and for a period of twelve (12) months after the termination of the Executive's employment, the Executive shall not knowingly engage in or be employed by any business anywhere in the world which competes with the principal businesses of the Company or its affiliates as conducted at the date of such employment termination.

SECTION 10. Successors; Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and / or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to under Sections 7 and 8 hereof if the Company had terminated his employment under Section 7 (a) hereof. As used in this Agreement, „Company" shall mean the Company as herein before defined and any successor to its business and / or assets as aforesaid which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) If the Executive should die after the giving of notice pursuant to Section 7 but while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this

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Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate. If the Executive should die before the giving of such notice under Section 7 and while he is employed pursuant to this Agreement, the Company shall continue to pay to the Executive's estate his salary for the period of six months from the date of such death and a pro rata portion of the bonus, if any, payable for the year in which the Executive died.

SECTION 11. Notice.

For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by US or Swiss certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Mr. Daniel G. Schillinger
Rosenberg
7243 Pany
Switzerland

If to the Company:

Mettler-Toledo GmbH
Im Langacher
8606 Greifensee
Switzerland

Attn.: Chief Executive Officer

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 12. Miscellaneous.

No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Insofar as this Agreement does not stipulate anything else to the contrary, the General Rules of Employment („Allgemeine Arbeitsvertragliche Bestimmungen / AVB") of the Company shall be applicable. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Switzerland.

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SECTION 13. Validity.

The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

SECTION 14. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

SECTION 15. Disputes.

All disputes between the Executive and the Company concerning the terms and conditions of this Agreement shall be brought before the ordinary courts in the Canton of Zurich, Switzerland.

SECTION 16. Entire Agreement.

This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and canceled.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

Mettler-Toledo GmbH,

by:

Robert F. Spoerry

by:

Peter Burker

by:

Daniel G. Schillinger

**POBS Plus -
Incentive System for Members of the Group Management
of METTLER TOLEDO**

Regulations, valid as of March 14, 2000

1. Objectives and Participants

With this incentive plan our aim is to pursue two main objectives:

- o To orient the remuneration of Members of the Group Management (GMC) directly to the achievement of annual operating plan targets and to give a special reward for reaching and exceeding the plan.
- o To emphasize the responsibility of each participant for the top-ranking interest of the Group and to promote the attainment of the overall corporate goals and success of the corporation.

Participation in the POBS Plus incentive scheme for Members of the Group Management is determined by the Compensation Committee and must be agreed in writing.

Criteria for participation are:

- o Executive Officer and Member of the GMC of METTLER TOLEDO who by virtue of his or her tasks and performance can significantly influence and contribute to the overall success of the entire Group.

2. General Principles

2.1 In addition to the yearly base salary, participants are eligible for a bonus which is based and calculated on the grade of target achievement. This bonus is a percentage multiple of the base salary ranging from 0 - 300%. The maximum bonus which could be paid to any participant in any given year is USD 2.5 million.

2.2 Bonus Scale

- o The bonus starts after 90% target achievement and can go up to a maximum of 130% target achievement.
- o Within this span, for each point of target achievement, a percentage of between 2.5% and 7.5% of the base salary is calculated as bonus. The percentage per bonus point is scaled and determined for the specific functions

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by the Compensation Committee within the first 90 days of each business year.

2.3 Targets

All targets in POBS Plus are closely related to the yearly budgets and business plans.

As a general rule, POBS Plus includes the following target categories and weighting:

A	Group targets:	Earnings per share (EPS), Net Cash Flow from Operations (NCO); Operating Profit Division (OP), Sales Division;
B	Operative unit targets:	Sales, Operating Profit (OP)
C	Personal targets:	10 - 20%

Target parameters and respective weighting within a category for the individual functions in POBS Plus are established for each business year in the respective POBS Plus Scheme for Members of Group Management.

The sum of total targets defined must equal 100%.

The POBS Plus Rules which quantify the actual values and levels of target achievement per category and parameter are established and based on the approved budget of the Group and Operative Units.

Both the POBS Plus Scheme and Rules are proposed each business year by the Group Management Committee, and they must be approved by the Compensation Committee.

3. Target Setting

3.1 The requirements for complete and proper target achievement (100%) should be challenging and ambitious, on the other hand they have to be realistic and attainable. For each participant they should be set in such a way that they can be fulfilled clearly and to the full extent.

3.2 Personal targets (category C) are agreed at the beginning of each business year for each participant with his / her supervisor. They need to be clearly measurable. The Compensation Committee sets the maximum possible degree of target achievement for personal targets for each business year.

3.3 For each participant, a POBS Plus Target Achievement Sheet lists per business year all targets set incl. their weighting and the corresponding values / levels in line with the corresponding POBS Plus Rules.

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4. Target Assessment

4.1 At the end of the business year, target achievement is assessed by the superior manager for each participant.

The degree of achievement of each individual target (range 90% to max. 130%) is multiplied by the weighting of the individual target to give a points award for each individual target. The total score for all targets lies between 90 and 130 points which number also corresponds to the overall percentage of target achievement.

4.2 Personal targets (C category) are evaluated as follows:

Target Achievement

90 % Target not reached - result unsatisfactory 100 % Target reached, corresponding to the requirements - good result 110 % Clearly more than target achieved, requirements clearly exceeded, in terms of value, time limits, quality, additional related success - very good result 120 % Target achievement outstanding, additional major benefits / success for the company reached, excellent result 130 % Target achievement exceptional, extraordinary additional value to the company - unique result.

5. Bonus Calculation

The bonus is calculated in a percentage of the yearly base salary and depends on the total sum of points reached in the target assessment.

Each full point above 90 and up to a maximum of 130 corresponds to a bonus amount of from 2.5% to a maximum of 7.5% of the base salary, as determined for each individual function in its applicable scaling by the Compensation Committee for each business year.

6. Payment

During the salary year (Jan. 1 - Dec. 31 of the calendar year or April 1 - March 31 of the following year), the annual base salary will be paid, normally divided in 12 equal monthly installments. The distribution of this basic amount, however, can vary in certain countries.

The Company will normally make a payment on account of the expected bonus in December of the relevant business year which is calculated on a provisional

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basis using projected results. The amount of such payment on account cannot exceed 50 % of the presumable bonus.

The final bonus is calculated as soon as the results of the business year and the assessment of the target achievement are known. Payment (or deduction) adjusted by any payment on account is usually made until April following the end of the business year.

7. Termination of Employment during the Business Year

In case of termination in the first half-year of the business year, the bonus is paid pro rata on a set 95 % target achievement. In case of termination of employment in the second half-year, target achievement is measured at the end of the year (usual procedure) and the bonus calculated accordingly will be paid pro rata.

8. Accounting Rules for Bonus Payments

Bonus payments are accounted for in the business year to which the bonus belongs. Appropriate accruals have to be made for this purpose in the year end closing. Carry over into accounts of the payout year are not allowed.

Peter Burker
Head Human Resources

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Subsidiaries of the Company

Australia
Mettler-Toledo Limited

Austria
Mettler-Toledo Ges.m.b.H.

Belgium
N.V. Mettler-Toledo B.V.

Bermuda
Mettler-Toledo Finance Ltd.

Brazil
Mettler-Toledo Industria e Comercio Ltda Safeline do Brasil Limitada

Canada
Mettler-Toledo Inc.

China
Mettler-Toledo Changzhou Scale Limited Mettler-Toledo Instruments (Shanghai) Ltd. Mettler-Toledo International Trading (Shanghai) Corp.
Ohaus International Trading (Shanghai) Ltd. Panzhihua Toledo Electronic Scale Ltd. Xinjiang Toledo Electronic Scale Ltd.

Croatia
Mettler-Toledo d.o.o.

Czech Republic
Mettler-Toledo spol. s.r.o.

Denmark
Mettler-Toledo A/S

France
Mettler-Toledo Analyse Industrielle S.a.r.l. Mettler-Toledo Holding (France) SAS Mettler-Toledo S.A.
NS Testut SAS
NS Lutrana SAS
NS A.S.V. Mettler-Toledo SAS
Ohaus S.a.r.l.
Safeline SA

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Germany
Garvens Automation GmbH
Getmore Ges. für Marketing & Media Service m.b.H. Mettler-Toledo (Albstadt) GmbH
Mettler-Toledo GmbH Mettler-Toledo Holding Deutschland GmbH Mettler-Toledo Management Holding Deutschland GmbH Mettler-Toledo
Orga-P GmbH Ohaus Waagen Vertriebsgesellschaft m.b.H.
Safeline GmbH

Hong Kong
Mettler-Toledo (HK) Ltd.

Hungary
Mettler-Toledo Kereskedelmi Kft.

India
Mettler-Toledo India Private Limited

Italy
Mettler-Toledo S.p.A.

Japan
Mettler-Toledo K.K.

Korea
Mettler-Toledo (Korea) Ltd.

Malaysia
Mettler-Toledo (M) Sdn. Bhd.

Mexico
Mettler-Toledo S.A. de C.V.
Ohaus de Mexico S.A. de C.V.

Netherlands
Gelan Engineering B.V.
Gelan Holding B.V.
Gelan International B.V.
Gelan Metaaldetectiesystemen B.V.
Mettler-Toledo B.V.
Mettler-Toledo Holding B.V.

Norway
Cargoscan A/S
Mettler-Toledo A/S

Poland
Mettler-Toledo sp.z.o.o.

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Russian Federation
Mettler-Toledo AO

Singapore

Mettler-Toledo (S) Pte. Ltd.

*Slovak Republic
Mettler-Toledo Spol s.r.o.*

Slovenia
Mettler-Toledo d.o.o.

Spain
Mettler-Toledo S.A.E.

Sweden
Mettler-Toledo AB

Switzerland
Mettler-Toledo GmbH
Mettler-Toledo Holding AG
Mettler-Toledo Logistik AG
Mettler-Toledo Pac Rim AG
Mettler-Toledo (Schweiz) AG
Microwa AG
Pivott Instrumente AG

Thailand
Mettler-Toledo (Thailand) Ltd.

United Kingdom
Bohdan Europe Limited
Mettler-Toledo Ltd.
Mettler-Toledo Myriad Limited
Ohaus UK Ltd.
Safeline Limited
Safeline Holding Company

United States of America
American Garvens Corporation [Delaware] ASI Applied Systems Inc. [Delaware] Mettler-Toledo Bohdan, Inc. [Illinois] Hi-Speed
Checkweigher Co., Inc. [New York] Mettler-Toledo Chemistry Systems Holding Inc. [Delaware] Mettler Toledo Florida Inc. [Delaware]
Mettler-Toledo Inc. [Delaware]
Mettler-Toledo Process Analytical Inc. [Massachusetts] Ohaus Corporation [New Jersey]
Safeline Inc. [Delaware]

ARTICLE 5

Exhibit 27.1 FINANCIAL DATA SCHEDULE Mettler-Toledo International Inc. -----

PERIOD TYPE	12 mos
FISCAL YEAR END	Dec 31 1999
PERIOD END	Dec 31 1999
CASH	17,179
SECURITIES	0
RECEIVABLES	213,577
ALLOWANCES	(9,827)
INVENTORY	123,901
CURRENT ASSETS	387,945
PP&E	268,706
DEPRECIATION	(68,983)
TOTAL ASSETS	820,973
CURRENT LIABILITIES	336,175
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	386
OTHER SE	111,629
TOTAL LIABILITY AND EQUITY	820,973
SALES	1,065,473
TOTAL REVENUES	1,065,473
CGS	585,007
TOTAL COSTS	585,007
OTHER EXPENSES	376,742
LOSS PROVISION	1,867
INTEREST EXPENSE	21,980
INCOME PRETAX	79,877
INCOME TAX	31,398
INCOME CONTINUING	48,101
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	48,101
EPS BASIC	1.25
EPS DILUTED	1.16

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Factors affecting our future operating results

Certain statements contained in our public filings, press releases and other documents and materials as well as certain statements in written or oral statements made by us or on our behalf are forward-looking statements based on our current expectations and projections about future events, including:

- o strategic plans
- o potential growth, including penetration of developed markets and opportunities in emerging markets
- o planned product introductions
- o planned operational changes and research and development efforts
- o euro conversion issues
- o future financial performance, including expected capital expenditures
- o research and development expenditures
- o potential acquisitions
- o future cash sources and requirements
- o potential cost savings

These forward-looking statements are subject to a number of risks and uncertainties, including those discussed below, which could cause our actual results to differ materially from historical results or those anticipated and certain of which are beyond our control. The words "believe," "expect," "anticipate" and similar expressions identify forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The risks included here are not exhaustive. Other sections of this report may describe additional factors that could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Investors should also be aware that while we do, from time to time, communicate with securities analysts, it is against our policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, investors should not assume that we agree with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, we have a policy against issuing or confirming financial forecasts or projections issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

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The following factors could cause actual results to differ materially from historical results or anticipated results:

Our substantial indebtedness could impair our operations and liquidity

We have a significant amount of indebtedness. At December 31, 1999, our consolidated net indebtedness (excluding unused commitments) was \$279.4 million, and we had additional borrowing capacity of approximately \$277.0 million. Term loans under our credit agreement comprise \$153.1 million of our consolidated indebtedness. We are required to make scheduled quarterly principal payments on these term loans. Our ability to comply with the terms of our credit agreement and our other debt obligations, to make cash payments with respect to our debt obligations and to refinance any of our debt obligations will depend on our future performance. Our future performance is subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control.

Having a high degree of leverage has significant consequences for us. For instance, high leverage might impair our ability to obtain additional financing for acquisitions, capital expenditures, working capital or general corporate purposes. In addition, we use a substantial portion of our cash flow from operations to pay principal and interest on our borrowings. This use of cash flows reduces the funds available to us for our operations and other purposes, including investments in research and development and capital spending. Some of our borrowings are and will continue to be at variable rates of interest, which exposes us to the risk of increased interest rates. Finally, we may be substantially more leveraged than some of our competitors. This may place us at a relative competitive disadvantage and may make us more vulnerable to a downturn in general economic conditions, a slowdown in our business or changing market conditions and regulations.

Covenants in our debt obligations restrict our ability to incur additional indebtedness, dispose of certain assets and make capital expenditures. The covenants also restrict our other corporate activities. Our ability to comply with these covenants may be affected by events beyond our control, including economic, financial and industry conditions. A failure to comply with the covenants and restrictions contained in our debt obligations or any other agreements with respect to any additional financing could result in an acceleration of the amount we owe under our debt agreements.

Currency fluctuations may effect our operating profits

Because we conduct operations in many countries, our operating income can be significantly affected by fluctuations in currency exchange rates. Swiss franc-denominated expenses represent a much greater percentage of our operating expenses than Swiss franc-denominated sales represent of our net sales. In part, this is because most of our manufacturing costs in Switzerland relate to products that are sold outside of Switzerland. Moreover, a substantial percentage of our research and development expenses and general and administrative expenses are incurred in Switzerland. Therefore, if the Swiss franc strengthens against all or most of our major trading currencies (e.g., the U.S. dollar, the euro, other major European currencies and the Japanese yen) our operating profit is reduced. We also have significantly more sales in European currencies (other than the Swiss franc) than we have expenses in those currencies. Therefore, when European currencies weaken against the

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U.S. dollar and the Swiss franc, it also decreases our operating profits. In recent years, the Swiss franc and other European currencies have generally moved in a consistent manner versus the U.S. dollar. Therefore, because the two effects previously described have offset each other, our operating profits have not been materially affected by movements in the U.S. dollar exchange rate versus European currencies. However, there can be no assurance that these currencies will continue to move in a consistent manner in the future. 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.

We are subject to certain risks associated with our international operations and fluctuating conditions in emerging markets

We do business in many countries, including emerging markets in Asia, Latin America and Eastern Europe. In addition to the currency risks discussed above, international operations pose substantial other risks and problems for us. For instance, various local jurisdictions in which we operate may revise or alter their respective legal and regulatory requirements. In addition, we may encounter one or more of the following obstacles or risks:

- o tariffs and trade barriers
- o difficulties in staffing and managing local operations
- o credit risks arising from financial difficulties facing local customers and distributors
- o difficulties in protecting intellectual property
- o nationalization of private enterprises
- o restrictions on investments and/or limitations regarding foreign ownership
- o adverse tax consequences, including imposition or increase of withholding and other taxes on remittances and other payments by subsidiaries
- o uncertain local economic, political and social conditions, including hyper-inflationary conditions

We must also comply with a variety of regulations regarding the conversion and repatriation of funds earned in local currencies. For example, converting earnings from our operations in China into other currencies and repatriating such funds require governmental approvals. If we cannot comply with these or other applicable regulations, we may face increased difficulties in utilizing cash flow generated by these operations outside of China.

Economic conditions in emerging markets have from time to time deteriorated significantly and some emerging markets are experiencing recessionary trends, severe currency devaluations and inflationary prices. Moreover, economic problems in individual markets can spread to other economies, adding to the adverse conditions we face in emerging markets. We remain committed to emerging markets, particularly those in Asia, Latin America and Eastern Europe. However, we expect the fluctuating economic conditions will affect our financial results in these markets for the foreseeable future.

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We operate in highly competitive markets and it may be difficult to maintain a technological advantage

Our markets are highly competitive. Weighing instruments markets are also fragmented both geographically and by application, particularly the industrial and food retailing market. As a result, we face numerous regional or specialized competitors, many of which are well established in their markets. In addition, some of our competitors are divisions of larger companies with potentially greater financial and other resources than our own. Taken together, the competitive forces present in our markets can impair our operating margins in certain product lines and geographic markets.

We expect our competitors to continue to improve the design and performance of their products and to introduce new products with competitive prices. Although we believe that we have certain technological and other advantages over our competitors, we may not be able to realize and maintain these advantages. In any event, to remain competitive we must continue to invest in research and development, sales and marketing and customer service and support. We cannot be sure that we will have sufficient resources to continue to make these investments or that we will be successful in identifying, developing and maintaining any competitive advantages.

A prolonged downturn or additional consolidation in the pharmaceutical and chemicals industries could adversely affect our operating results

Our products are used extensively in the pharmaceutical, chemicals and food and beverage industries. Consolidation in the pharmaceutical and chemicals industries hurt our sales in prior years. A prolonged downturn or additional consolidation in any of these industries could adversely affect our operating results.

We may face risks associated with future acquisitions

We plan to pursue acquisitions of complementary product lines, technologies or businesses. Acquisitions involve numerous risks, including:

- o difficulties in the assimilation of the acquired operations, technologies and products
- o diversion of management's attention from other business concerns
- o potential departures of key employees of the acquired company

If we successfully identify acquisitions in the future, completing such acquisitions may result in:

- o new issuances of our stock that may be dilutive to current owners
- o increases in our debt and contingent liabilities
- o additional amortization expenses related to goodwill and other intangible assets

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Any of these risks could materially adversely affect our profitability. We continue to explore potential acquisitions. We may not be able to identify, successfully complete or integrate potential acquisitions in the future. However, even if we can, we cannot be sure that such acquisitions will have a positive impact on our business or operating results.

Departures of key employees could impair our operations

We have employment contracts with each of our key employees. In addition, our key employees own shares of our common stock and have options to purchase additional shares. Nonetheless, such individuals could leave the Company. If any key employees stopped working for us, our operations could be harmed. We have no key man life insurance policies with respect to any of our senior executives.

We may be adversely affected by the environmental laws and regulations to which we are subject

We are subject to various environmental laws and regulations, including those relating to:

- o air emissions
- o wastewater discharges
- o the handling and disposal of solid and hazardous wastes
- o the remediation of contamination associated with the use and disposal of hazardous substances

We incur capital and operating expenditures in complying with environmental laws and regulations both in the United States and abroad. We are currently involved in, or have potential liability with respect to, the remediation of past contamination in facilities both in the United States and abroad. In addition, some of these facilities have or had been in operation for many decades and may have used substances or generated and disposed of wastes that are hazardous or may be considered hazardous in the future. Such sites and disposal sites owned by others to which we sent waste may in the future be identified as contaminated and require remediation. Accordingly, it is possible that we could become subject to additional environmental liabilities in the future that may harm our results of operations or financial condition.

We do not expect to pay dividends in the foreseeable future

Our credit agreement restricts our ability to pay dividends. In any event, we do not intend to pay cash dividends on our common stock in the foreseeable future.

Anti-takeover provisions in our certificate and by-laws and under Delaware law could inhibit a change of control of our Company

Our certificate of incorporation and by-laws contain provisions that could make it more difficult for a third party to acquire the Company. Our certificate of incorporation authorizes the Board of Directors to issue preferred stock without shareholder approval and upon such terms as it may determine. The rights of the holders of our common stock are subject to, and may be

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adversely affected by, the rights of future holders of preferred stock. In addition, our by-laws require shareholders to provide advance notice to nominate candidates for election as directors and to submit proposals for consideration at shareholder meetings. Section 203 of the Delaware General Corporation Law makes it more difficult for an "interested stockholder" (generally a 15% stockholder) to effect various business combinations with a corporation for a three-year period after he becomes an "interested stockholder." In general, these provisions may discourage a third party from attempting to acquire the Company and therefore may inhibit a change of control of our company under circumstances that could give shareholders an opportunity to realize a premium over then-prevailing market prices.

We could be adversely affected by the introduction of the European Monetary Union

The European Economic and Monetary Union (the "EMU") introduced a new currency, the euro, within Europe on January 1, 1999. Switzerland is not part of the EMU.

On January 1, 1999, the participating countries adopted the euro as their local currency, initially available for currency trading on currency exchanges and for noncash (banking) transactions. The existing local currencies, or legacy currencies, will remain legal tender through January 1, 2002. Beginning on January 1, 2002, euro-denominated bills and coins will be issued for cash transactions. For a period of six months from this date, both legacy currencies and the euro will be legal tender. On or before July 1, 2002, the participating countries will withdraw all legacy currency and use exclusively the euro.

We have committed resources to conduct risk assessments and take corrective actions, where required, to ensure that we are prepared for the introduction of the euro. We are reviewing euro implementation and our pricing strategy in both participating and non-participating countries where we operate. In addition, we are reviewing existing legacy accounting and business systems and other business assets for euro compliance and assessing the risks posed by non-compliance by third parties. Despite these efforts, it is possible that we or third parties on whom we depend will not have in place in a timely manner the systems necessary to process euro-denominated transactions. Such a failure could adversely affect our business (e.g., by causing delays in order processing and shipment). Moreover, increased price transparency or disruption of activity in the markets in which we operate resulting from the conversion to the euro could hurt our business in those markets, resulting in lost revenues.