

METTLER TOLEDO INTERNATIONAL INC/
Form 10-Q
July 31, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2015, OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

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

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) 1900 Polaris Parkway Columbus, Ohio 43240 and Im Langacher, P.O. Box MT-100 CH 8606 Greifensee, Switzerland	13-3668641 (I.R.S Employer Identification No.)
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(Address of principal executive offices)
(Zip Code)

1-614-438-4511 and +41-44-944-22-11

(Registrant's telephone number, including area code)

not applicable

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

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

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web-site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and

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post such files). Yes No

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

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

The Registrant had 27,699,352 shares of Common Stock outstanding at June 30, 2015.

METTLER-TOLEDO INTERNATIONAL INC.
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

METTLER-TOLEDO INTERNATIONAL INC.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Three months ended June 30, 2015 and 2014

(In thousands, except share data)

(unaudited)

	June 30, 2015	June 30, 2014
Net sales		
Products	\$449,702	\$468,678
Service	132,355	140,156
Total net sales	582,057	608,834
Cost of sales		
Products	183,127	199,711
Service	76,018	80,947
Gross profit	322,912	328,176
Research and development	29,794	32,125
Selling, general and administrative	174,808	183,103
Amortization	7,634	7,283
Interest expense	6,942	5,956
Restructuring charges	1,720	1,905
Other charges (income), net	(33	) 406
Earnings before taxes	102,047	97,398
Provision for taxes	24,490	23,376
Net earnings	\$77,557	\$74,022
Basic earnings per common share:		
Net earnings	\$2.79	\$2.55
Weighted average number of common shares	27,843,905	29,074,695
Diluted earnings per common share:		
Net earnings	\$2.73	\$2.49
Weighted average number of common and common equivalent shares	28,460,336	29,750,815
Comprehensive income, net of tax (Note 8)	\$99,337	\$71,631

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

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METTLER-TOLEDO INTERNATIONAL INC.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Six months ended June 30, 2015 and 2014

(In thousands, except share data)

(unaudited)

	June 30, 2015	June 30, 2014
Net sales		
Products	\$862,606	\$890,826
Service	255,152	268,629
Total net sales	1,117,758	1,159,455
Cost of sales		
Products	347,793	381,161
Service	148,248	157,477
Gross profit	621,717	620,817
Research and development	58,255	61,622
Selling, general and administrative	347,846	355,294
Amortization	15,162	14,377
Interest expense	13,667	11,622
Restructuring charges	2,627	3,397
Other charges (income), net	(850	) 723
Earnings before taxes	185,010	173,782
Provision for taxes	44,402	41,709
Net earnings	\$140,608	\$132,073
Basic earnings per common share:		
Net earnings	\$5.03	\$4.52
Weighted average number of common shares	27,978,814	29,221,647
Diluted earnings per common share:		
Net earnings	\$4.91	\$4.41
Weighted average number of common and common equivalent shares	28,611,637	29,918,456
Comprehensive income, net of tax (Note 8)	\$156,132	\$131,536

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

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INTERIM CONSOLIDATED BALANCE SHEETS

As of June 30, 2015 and December 31, 2014

(In thousands, except share data)

(unaudited)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 149,309	\$ 85,263
Trade accounts receivable, less allowances of \$15,477 at June 30, 2015 and \$15,961 at December 31, 2014	402,404	435,648
Inventories	223,275	204,531
Current deferred tax assets, net	63,038	62,341
Other current assets and prepaid expenses	74,638	61,647
Total current assets	912,664	849,430
Property, plant and equipment, net	522,195	511,462
Goodwill	442,482	444,085
Other intangible assets, net	109,656	112,784
Non-current deferred tax assets, net	27,237	30,273
Other non-current assets	82,715	61,076
Total assets	\$ 2,096,949	\$ 2,009,110
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 138,589	\$ 145,896
Accrued and other liabilities	122,057	120,530
Accrued compensation and related items	104,703	136,107
Deferred revenue and customer prepayments	98,113	82,219
Taxes payable	69,156	59,297
Current deferred tax liabilities	23,569	18,677
Short-term borrowings and current maturities of long-term debt	23,353	116,164
Total current liabilities	579,540	678,890
Long-term debt	605,141	335,790
Non-current deferred tax liabilities	55,198	56,727
Other non-current liabilities	202,819	218,108
Total liabilities	1,442,698	1,289,515
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Preferred stock, \$0.01 par value per share; authorized 10,000,000 shares	—	—
Common stock, \$0.01 par value per share; authorized 125,000,000 shares; issued 44,786,011 and 44,786,011 shares; outstanding 27,699,352 and 28,243,007 shares at June 30, 2015 and December 31, 2014, respectively	448	448
Additional paid-in capital	678,677	670,418
Treasury stock at cost (17,086,659 shares at June 30, 2015 and 16,543,004 shares at December 31, 2014)	(2,316,441	) (2,095,656)
Retained earnings	2,488,992	2,357,334
Accumulated other comprehensive income (loss)	(197,425	) (212,949)
Total shareholders' equity	654,251	719,595

Total liabilities and shareholders' equity	\$2,096,949	\$2,009,110
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The accompanying notes are an integral part of these interim consolidated financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.

INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Six months ended June 30, 2015 and twelve months ended December 31, 2014

(In thousands, except share data)

(unaudited)

	Common Stock		Additional	Treasury Stock	Retained Earnings	Accumulated	Total
	Shares	Amount	Paid-in Capital			Other Comprehensive Income (Loss)	
Balance at December 31, 2013	29,487,075	\$448	\$653,250	\$(1,721,030)	\$2,037,420	\$(35,036)	\$935,052
Exercise of stock options and restricted stock units	373,431	—	—	39,374	(18,327)	—	21,047
Repurchases of common stock	(1,617,499)	—	—	(414,000)	—	—	(414,000)
Tax benefit resulting from exercise of certain employee stock options	—	—	3,557	—	—	—	3,557
Share-based compensation	—	—	13,611	—	—	—	13,611
Net earnings	—	—	—	—	338,241	—	338,241
Other comprehensive income (loss), net of tax	—	—	—	—	—	(177,913)	(177,913)
Balance at December 31, 2014	28,243,007	\$448	\$670,418	\$(2,095,656)	\$2,357,334	\$(212,949)	\$719,595
Exercise of stock options and restricted stock units	233,593	—	—	26,688	(8,950)	—	17,738
Repurchases of common stock	(777,248)	—	—	(247,473)	—	—	(247,473)
Tax benefit resulting from exercise of certain employee stock options	—	—	1,278	—	—	—	1,278
Share-based compensation	—	—	6,981	—	—	—	6,981
Net earnings	—	—	—	—	140,608	—	140,608
Other comprehensive income (loss), net of tax (Note 8)	—	—	—	—	—	15,524	15,524
Balance at June 30, 2015	27,699,352	\$448	\$678,677	\$(2,316,441)	\$2,488,992	\$(197,425)	\$654,251

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

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METTLER-TOLEDO INTERNATIONAL INC.
 INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
 Six months ended June 30, 2015 and 2014
 (In thousands)
 (unaudited)

	June 30, 2015	June 30, 2014	
Cash flows from operating activities:			
Net earnings	\$ 140,608	\$ 132,073	
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	16,658	16,874	
Amortization	15,162	14,377	
Deferred tax benefit	(2,681	) (3,442)
Excess tax benefits from share-based payment arrangements	(1,278	) (9,569)
Share-based compensation	6,981	6,503	
Other	89	74	
Increase (decrease) in cash resulting from changes in:			
Trade accounts receivable, net	21,764	39,967	
Inventories	(18,659	) (13,733)
Other current assets	(959	) 1,990	
Trade accounts payable	(7,593	) (5,458)
Taxes payable	7,836	(19,250)
Accruals and other	(14,143	) (9,429)
Net cash provided by operating activities	163,785	150,977	
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment	127	296	
Purchase of property, plant and equipment	(35,923	) (37,120)
Acquisitions	(300	) (3,255)
Net hedging settlements on intercompany loans	(12,811	) (81)
Net cash used in investing activities	(48,907	) (40,160)
Cash flows from financing activities:			
Proceeds from borrowings	493,450	310,018	
Repayments of borrowings	(313,923	) (256,611)
Proceeds from stock option exercises	17,738	9,032	
Repurchases of common stock	(247,473	) (183,978)
Excess tax benefits from share-based payment arrangements	1,278	9,569	
Debt issuance costs	(432) —	
Acquisition contingent consideration paid	(422) —	
Net cash used in financing activities	(49,784	) (111,970)
Effect of exchange rate changes on cash and cash equivalents	(1,048	) 291	
Net increase (decrease) in cash and cash equivalents	64,046	(862)
Cash and cash equivalents:			
Beginning of period	85,263	111,874	
End of period	\$ 149,309	\$ 111,012	

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

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At June 30, 2015 – Unaudited

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

1. BASIS OF PRESENTATION

Mettler-Toledo International Inc. ("Mettler-Toledo" or the "Company") is a leading global supplier of precision instruments and services. The Company manufactures weighing instruments for use in laboratory, industrial, packaging, logistics and food retailing applications. The Company also manufactures several related analytical instruments and provides automated chemistry solutions used in drug and chemical compound discovery and development. In addition, the Company manufactures metal detection and other end-of-line inspection systems used in production and packaging and provides solutions for use in certain process analytics applications. The Company's primary manufacturing facilities are located in China, Germany, Switzerland, the United Kingdom and the United States. The Company's principal executive offices are located in Columbus, Ohio and Greifensee, Switzerland. The accompanying interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include all entities in which the Company has control, which are its wholly-owned subsidiaries. The interim consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

The accompanying interim consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. Operating results for the three and six months ended June 30, 2015 are not necessarily indicative of the results to be expected for the full year ending December 31, 2015.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates. A discussion of the Company's critical accounting policies is included in Management's Discussion and Analysis of Financial Condition and Results of Operations and the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

All intercompany transactions and balances have been eliminated.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Trade Accounts Receivable

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

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At June 30, 2015 – Unaudited (Continued)

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

Inventories

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

Inventories consisted of the following:

	June 30, 2015	December 31, 2014
Raw materials and parts	\$100,031	\$97,969
Work-in-progress	41,625	34,973
Finished goods	81,619	71,589
	\$223,275	\$204,531

Goodwill and Other Intangible Assets

Goodwill, representing the excess of purchase price over the net asset value of companies acquired, and indefinite-lived intangible assets are not amortized, but are reviewed for impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that an asset might be impaired. The annual evaluation for goodwill and indefinite-lived intangible assets are generally based on an assessment of qualitative and quantitative factors to determine whether it is more likely than not that the fair value of the asset is less than its carrying amount. Other intangible assets include indefinite-lived assets and assets subject to amortization. Where applicable, amortization is charged on a straight-line basis over the expected period of benefit. The straight-line method of amortization reflects an appropriate allocation of the cost of the intangible assets to earnings in proportion to the amount of economic benefits obtained by the Company in each reporting period. The Company assesses the initial acquisition of intangible assets in accordance with the provisions of ASC 805 "Business Combinations" and the continued accounting for previously recognized intangible assets and goodwill in accordance with the provisions of ASC 350 "Intangible - Goodwill and Other" and ASC 360 "Property, Plant and Equipment".

Other intangible assets consisted of the following:

	June 30, 2015			December 31, 2014		
	Gross Amount	Accumulated Amortization	Intangibles, Net	Gross Amount	Accumulated Amortization	Intangibles, Net
Customer relationships	\$97,396	\$(29,098)	\$68,298	\$98,325	\$(28,159)	\$70,166
Proven technology and patents	46,012	(31,890)	14,122	45,588	(30,761)	14,827
Tradename (finite life)	4,317	(2,230)	2,087	4,140	(1,786)	2,354
Tradename (indefinite life)	24,775	—	24,775	24,947	—	24,947
Other	1,555	(1,181)	374	1,573	(1,083)	490
	\$174,055	\$(64,399)	\$109,656	\$174,573	\$(61,789)	\$112,784

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At June 30, 2015 – Unaudited (Continued)

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

The Company recognized amortization expense associated with the above intangible assets of \$1.6 million for both the three months ended June 30, 2015 and 2014, respectively and \$3.1 million and \$3.2 million for the six months ended June 30, 2015 and 2014, respectively. The annual aggregate amortization expense based on the current balance of other intangible assets is estimated at \$6.1 million for 2015, \$5.7 million for 2016, \$5.3 million for 2017, \$5.0 million for 2018, \$4.7 million for 2019 and \$4.5 million for 2020. Purchased intangible amortization was \$1.4 million, \$0.9 million after tax, and \$1.4 million, \$1.0 million after tax, for the three months ended June 30, 2015 and 2014, respectively and \$2.8 million, \$1.9 million after tax, and \$2.7 million, \$1.9 million after tax, for the six months ended June 30, 2015 and 2014, respectively.

In addition to the above amortization, the Company recorded amortization expense associated with capitalized software of \$6.0 million and \$5.6 million for the three months ended June 30, 2015 and 2014, respectively and \$11.9 million and \$11.2 million for the six months ended June 30, 2015 and 2014, respectively.

Revenue Recognition

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

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

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

Warranty

The Company generally offers one-year warranties on most of its products. Estimated product warranties are recorded at the time revenue is recognized. While the Company engages in extensive

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At June 30, 2015 – Unaudited (Continued)

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

product quality programs and processes, its warranty obligations are affected by product failure rates, material usage and service costs incurred in correcting a product failure.

Employee Termination Benefits

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

Share-Based Compensation

The Company recognizes share-based compensation expense within selling, general and administrative in the consolidated statements of operations and other comprehensive income with a corresponding offset to additional paid-in capital in the consolidated balance sheet. The Company recorded \$3.5 million and \$7.0 million of share-based compensation expense for the three and six months ended June 30, 2015, respectively, compared to \$3.3 million and \$6.5 million for the corresponding periods in 2014.

Research and Development

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

3. FINANCIAL INSTRUMENTS

The Company has limited involvement with derivative financial instruments and does not use them for trading purposes. The Company enters into certain interest rate swap agreements in order to manage its exposure to changes in interest rates. The amount of the Company's fixed obligation interest payments may change based upon the expiration dates of its interest rate swap agreements and the level and composition of its debt. The Company also enters into certain foreign currency forward contracts to limit the Company's exposure to currency fluctuations on the respective hedged items. As also mentioned in Note 6, the Company has designated its euro denominated debt as a hedge of a portion of its net investment in euro-denominated foreign operations. For additional disclosures on the fair value of financial instruments, also see Note 4.

Cash Flow Hedges

In July 2012, the Company began entering into foreign currency forward contracts, designated as cash flow hedges, to hedge certain forecasted intercompany sales denominated in euro with its Swiss-based business. The notional amount of foreign currency forward contracts outstanding at June 30, 2015 were \$52.5 million (Euro 47.0 million) for contracts that mature in 2015 and \$74.3 million (Euro 66.5 million) for contracts that mature in 2016. The notional amount of foreign currency forward contracts outstanding at December 31, 2014 was \$87.0 million (Euro 71.5 million) for contracts that mature in 2015. The amount recognized in other comprehensive income (loss) during the three months period ended June 30, 2015 and 2014 was a gain of \$1.4 million and a loss of \$0.1 million, respectively. The amount recognized in other comprehensive income (loss) during the six months period ended June 30, 2015 and 2014 was a gain of \$24.2 million and a loss of \$0.2 million, respectively.

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METTLER-TOLEDO INTERNATIONAL INC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At June 30, 2015 – Unaudited (Continued)

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

The Company has an interest rate swap agreement designated as a cash flow hedge. The agreement is a swap which has the effect of changing the floating rate LIBOR-based interest payments associated with \$100 million in forecasted borrowings under the Company's credit facility to a fixed obligation of 3.24%. The swap began in October 2010 and matures in October 2015.

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

In March 2015, the Company entered into a forward-starting interest rate swap agreement. The agreement will change the floating rate LIBOR-based interest payments associated with \$100 million in forecasted borrowings under the Company's credit agreement to a fixed obligation of 2.25% beginning in February 2017.

The Company's cash flow hedges are recorded gross at fair value in the consolidated balance sheet at June 30, 2015 and December 31, 2014, respectively, and disclosed in Note 4. Amounts reclassified into other comprehensive income and the effective portions of the cash flow hedges are further disclosed in Note 8. A derivative gain of \$9.0 million based upon interest rates and foreign currency rates at June 30, 2015, is expected to be reclassified from other comprehensive income (loss) to earnings in the next 12 months. Through June 30, 2015, no hedge ineffectiveness has occurred in relation to the cash flow hedges.

Other Derivatives

The Company enters into foreign currency forward contracts in order to economically hedge short-term trade and non-trade intercompany balances largely denominated in Swiss franc, other major European currencies, and the Chinese Renminbi with its foreign businesses. In accordance with U.S. GAAP, these contracts are considered "derivatives not designated as hedging instruments." Gains or losses on these instruments are reported in current earnings. The foreign currency forward contracts are recorded at fair value in the consolidated balance sheet at June 30, 2015 and December 31, 2014, respectively, and disclosed in Note 4. The Company recognized in other charges (income), a net loss of \$0.2 million and \$0.7 million during the three months ended June 30, 2015 and 2014, respectively, and a net loss of \$9.5 million and \$0.9 million during the six months ended June 30, 2015 and 2014, respectively. The gains and losses are primarily offset by the underlying transaction gains on the related intercompany balances. At June 30, 2015 and December 31, 2014, these contracts had a notional value of \$313.8 million and \$325.4 million, respectively.

4. FAIR VALUE MEASUREMENTS

At June 30, 2015 and December 31, 2014, the Company had derivative assets totaling \$19.9 million and \$2.2 million, respectively, and derivative liabilities totaling \$3.4 million and \$5.6 million, respectively. The fair values of the interest rate swap agreement, foreign currency forward contracts designated as cash flow hedges and foreign currency forward contracts that economically hedge short-term intercompany balances are estimated based upon inputs from current valuation information obtained from dealer quotes and priced with observable market assumptions and appropriate valuation adjustments for credit risk. The Company has evaluated the valuation methodologies used to develop the fair values by dealers in order to determine whether such valuations are representative of an exit price in the Company's principal market. In addition, the Company uses an internally developed model to perform testing on the valuations received from brokers. The Company has also considered both its own credit risk and counterparty credit risk in determining fair value and determined these adjustments were insignificant at June 30, 2015 and December 31, 2014.

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

At June 30, 2015 and December 31, 2014, the Company had \$7.7 million and \$14.2 million of cash equivalents, respectively, the fair value of which is determined through quoted and corroborated prices in active markets. The fair value of cash equivalents approximates cost.

The fair value of the Company's fixed interest rate debt was estimated using Level 2 inputs, primarily discounted cash flow models, based on estimated current rates offered for similar debt under current market conditions for the Company. The carrying value of the Company's debt exceeds the fair value by approximately \$4.1 million as of June 30, 2015. The fair value of the Company's debt exceeds the carrying value by approximately \$17.8 million as of December 31, 2014, respectively.

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

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

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

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

Level 3: Unobservable inputs

The following table presents for each of these hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis at June 30, 2015 and December 31, 2014:

	June 30, 2015				December 31, 2014			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Cash equivalents	\$7,689	\$—	\$7,689	\$—	\$14,188	\$—	\$14,188	\$—
Interest rate swap agreement	440	—	440	—	—	—	—	—
Foreign currency forwards contracts designed as cash flow hedges	18,142	—	18,142	—	567	—	567	—
Foreign currency forward contracts not designated as hedging instruments	1,279	—	1,279	—	1,611	—	1,611	—
Total	\$27,550	\$—	\$27,550	\$—	\$16,366	\$—	\$16,366	\$—
Liabilities:								
Interest rate swap agreement	\$2,871	\$—	\$2,871	\$—	\$3,768	\$—	\$3,768	\$—
Foreign currency forward contracts not designated as hedging instruments	534	—	534	—	1,799	—	1,799	—
Total	\$3,405	\$—	\$3,405	\$—	\$5,567	\$—	\$5,567	\$—

5. INCOME TAXES

The provision for taxes is based upon using the Company's projected annual effective tax rate of 24% for both the three and six month periods ended June 30, 2015 and 2014.

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

6. DEBT

Debt consisted of the following at June 30, 2015:

	June 30, 2015		
	U.S. Dollar	Other Principal Trading Currencies	Total
3.67% \$50 million Senior Notes due December 17, 2022	50,000	—	50,000
4.10% \$50 million Senior Notes due September 19, 2023	50,000	—	50,000
3.84% \$125 million Senior Notes due September 19, 2024	125,000	—	125,000
4.24% \$125 million Senior Notes due June 25, 2025	125,000	—	125,000
1.47% Euro 125 million Senior Notes due June 17, 2030	—	139,665	139,665
\$800 million Credit Agreement, interest at LIBOR plus 75 basis points	100,000	15,476	115,476
Other local arrangements	457	22,896	23,353
Total debt	450,457	178,037	628,494
Less: current portion	(457	) (22,896	) (23,353
Total long-term debt	\$450,000	\$155,141	\$605,141

As of June 30, 2015, the Company had \$680.1 million of availability remaining under its Credit Agreement. The Company was in compliance with its covenants at June 30, 2015.

4.24% Senior Notes

In June 2014, the Company entered into an agreement to issue and sell \$250 million of ten-year Senior Notes in a private placement. The Company issued \$125 million with a fixed interest rate of 3.84% ("3.84% Senior Notes") in September 2014 and issued an additional \$125 million with a fixed interest rate of 4.24% ("4.24% Senior Notes") in June 2015. The Senior Notes are senior unsecured obligations of the Company. The 4.24% Senior Notes were used to repay \$100 million of 6.30% Senior Notes which were due June 25, 2015.

1.47% Euro Senior Notes

In June 2015, the Company issued the Euro 125 million with a fixed interest rate of 1.47% ("1.47% Euro Senior Notes") fifteen-year Senior Notes in a private placement. The Euro Senior Notes are senior unsecured obligations of the Company. The Company has designated the 1.47% Euro Senior Notes as a hedge of a portion of its net investment in euro-denominated foreign subsidiaries to reduce foreign currency risk associated with the net investment in these operations. Changes in the carrying value of this debt resulting from fluctuations in the euro to U.S. dollar exchange rate are recorded as foreign currency translation adjustments within other comprehensive income (loss). The unrealized gain recorded in other comprehensive income (loss) related to this net investment hedge was \$0.5 million for the period ended June 30, 2015.

Issuance costs approximating \$0.4 million will be amortized to interest expense over the fifteen year term of the Euro Senior Notes.

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

7. SHARE REPURCHASE PROGRAM AND TREASURY STOCK

The Company has a share repurchase program of which there were \$230.9 million of remaining common shares authorized to be repurchased under the program as of June 30, 2015. The share repurchases are expected to be funded from cash balances, borrowings and cash generated from operating activities. Repurchases will be made through open market transactions, and the amount and timing of purchases will depend on business and market conditions, the stock price, trading restrictions, the level of acquisition activity and other factors.

The Company has purchased 23.9 million shares since the inception of the program through June 30, 2015. During the six months ended June 30, 2015 and 2014, the Company spent \$247.5 million and \$184.0 million on the repurchase of 777,248 shares and 757,374 shares at an average price per share of \$318.38 and \$242.89, respectively. The Company also reissued 233,593 shares and 157,857 shares held in treasury for the exercise of stock options and restricted stock units during the six months ended June 30, 2015 and 2014, respectively.

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table presents changes in accumulated other comprehensive income by component for the six months ended June 30, 2015 and 2014:

	Currency Translation Adjustment, Net of Tax	Net Unrealized Gain (Loss) on Cash Flow Hedging Arrangements, Net of Tax	Pension and Post-Retirement Benefit Related Items, Net of Tax	Total
Balance at December 31, 2014	\$ (4,960)	\$ (1,944)	\$ (206,045)	\$ (212,949)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on cash flow hedging arrangements	—	19,932	—	19,932
Foreign currency translation adjustment	(1,655)	(817)	(2,655)	(5,127)
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	(4,321)	5,040	719
Net change in other comprehensive income (loss), net of tax	(1,655)	14,794	2,385	15,524
Balance at June 30, 2015	\$ (6,615)	\$ 12,850	\$ (203,660)	\$ (197,425)
	Currency Translation Adjustment, Net of Tax	Net Unrealized Gain (Loss) on Cash Flow Hedging Arrangements, Net of Tax	Pension and Post-Retirement Benefit Related Items, Net of Tax	Total
Balance at December 31, 2013	\$ 77,915	\$ (2,433)	\$ (110,518)	\$ (35,036)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on cash flow hedging arrangements	—	(854)	—	(854)
Foreign currency translation adjustment	(1,286)	10	8	(1,268)
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	788	797	1,585
	(1,286)	(56)	805	(537)

Net change in other comprehensive income (loss), net
of tax

Balance at June 30, 2014	\$76,629	\$(2,489)	\$(109,713)	\$(35,573)
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(In thousands, except share data, unless otherwise stated)

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

	Three months ended June 30,		Location of Amounts Recognized in Earnings
	2015	2014	
Effective portion of losses on cash flow hedging arrangements:			
Interest rate swap agreements	\$771	\$778	Interest expense
Foreign currency forward contracts	(3,532	) (164	) Cost of sales - products
Total before taxes	(2,761	) 614	
Provision for taxes	(427	) 266	Provision for taxes
Total, net of taxes	\$(2,334	) \$348	

Recognition of defined benefit pension and post-retirement items:

Recognition of actuarial losses, plan amendments and prior service cost, before taxes	\$3,428	\$717	(a)
Provision for taxes	911	316	Provision for taxes
Total, net of taxes	\$2,517	\$401	

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and post-retirement cost. See Note 10 for additional details for the three and six months ended June 30, 2015 and 2014.

	Six months ended June 30,		Location of Amounts Recognized in Earnings
	2015	2014	
Effective portion of losses on cash flow hedging arrangements:			
Interest rate swap agreements	\$1,535	\$1,546	Interest expense
Foreign currency forward contracts	(6,623	) (205	) Cost of sales - products
Total before taxes	(5,088	) 1,341	
Provision for taxes	(767	) 553	Provision for taxes
Total, net of taxes	\$(4,321	) \$788	

Recognition of defined benefit pension and post-retirement items:

Recognition of actuarial losses, plan amendments and prior service cost, before taxes	\$6,869	\$1,429	(a)
Provision for taxes	1,829	632	Provision for taxes
Total, net of taxes	\$5,040	\$797	

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and post-retirement cost. See Note 10 for additional details for the three and six months ended June 30, 2015 and 2014.

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

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

	Three Months Ended		Six Months Ended	
	2015	2014	2015	2014
Net earnings	\$77,557	\$74,022	\$140,608	\$132,073
Other comprehensive income (loss), net of tax	21,780	(2,391)	15,524	(537)
Comprehensive income, net of tax	\$99,337	\$71,631	\$156,132	\$131,536

9. EARNINGS PER COMMON SHARE

In accordance with the treasury stock method, the Company has included the following common equivalent shares in the calculation of diluted weighted average number of common shares outstanding for the three and six month periods ended June 30, solely relating to outstanding stock options and restricted stock units:

	2015	2014
Three months ended	616,431	676,120
Six months ended	632,823	696,809

Outstanding options and restricted stock units to purchase or receive 95,535 and 158,484 shares of common stock for the three month periods ended June 30, 2015 and 2014, respectively, and options and restricted stock units to purchase or receive 95,725 and 158,548 for the six month periods ended June 30, 2015 and 2014, respectively, have been excluded from the calculation of diluted weighted average of common and common equivalent shares as such options and restricted stock units would be anti-dilutive.

10. NET PERIODIC BENEFIT COST

Net periodic pension cost for the Company's defined benefit pension plans and U.S. post-retirement medical plan includes the following components for the three months ended June 30:

	U.S. Pension Benefits		Non-U.S. Pension Benefits		Other U.S. Post-retirement Benefits		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Service cost, net	\$208	\$223	\$4,711	\$3,923	\$—	\$43	\$4,919	\$4,189
Interest cost on projected benefit obligations	1,608	1,599	3,515	5,519	35	60	5,158	7,178
Expected return on plan assets	(2,394)	(2,137)	(9,340)	(9,596)	—	—	(11,734)	(11,733)
Recognition of prior service cost	—	—	(984)	(1,030)	(469)	(195)	(1,453)	(1,225)
Recognition of actuarial losses/(gains)	1,907	1,200	3,817	1,100	(843)	(358)	4,881	1,942
Net periodic pension cost/(credit)	\$1,329	\$885	\$1,719	\$(84)	\$(1,277)	\$(450)	\$1,771	\$351

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

Net periodic pension cost for the Company's defined benefit pension plans and U.S. post-retirement medical plan includes the following components for the six months ended June 30:

	U.S. Pension Benefits		Non-U.S. Pension Benefits		Other U.S. Post-retirement Benefits		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Service cost, net	\$417	\$446	\$9,456	\$7,885	\$—	\$85	\$9,873	\$8,416
Interest cost on projected benefit obligations	3,216	3,198	7,069	11,002	69	120	10,354	14,320
Expected return on plan assets	(4,788)	(4,274)	(18,639)	(19,140)	—	—	(23,427)	(23,414)
Recognition of prior service cost	—	—	(1,957)	(2,070)	(938)	(389)	(2,895)	(2,459)
Recognition of actuarial losses/(gains)	3,814	2,400	7,635	2,206	(1,685)	(718)	9,764	3,888
Net periodic pension cost/(credit)	\$2,659	\$1,770	\$3,564	\$(117)	\$(2,554)	\$(902)	\$3,669	\$751

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, the Company expects to make employer contributions of approximately \$19.6 million to its non-U.S. pension plans and employer contributions of approximately \$0.7 million to its U.S. post-retirement medical plan during the year ended December 31, 2015. These estimates may change based upon several factors, including fluctuations in currency exchange rates, actual returns on plan assets and changes in legal requirements.

11. RESTRUCTURING CHARGES

For the three and six months ended June 30, 2015, the Company has incurred \$1.7 million and \$2.6 million, respectively of restructuring expenses which primarily comprised employee-related costs. Liabilities related to restructuring activities are included in accrued and other liabilities in the consolidated balance sheet.

A rollforward of the Company's accrual for restructuring activities for the six months ended June 30, 2015 is as follows:

	Total
Balance at December 31, 2014	\$8,436
Restructuring charges	2,627
Cash payments and utilization	(2,022)
Impact of foreign currency	(421)
Balance at June 30, 2015	\$8,620

12. OTHER CHARGES (INCOME), NET

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

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

13. SEGMENT REPORTING

As disclosed in Note 16 to the Company's consolidated financial statements for the year ended December 31, 2014, the Company has determined there are five reportable segments: U.S. Operations, Swiss Operations, Western European Operations, Chinese Operations and Other.

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

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

For the three months ended	Net Sales to External	Net Sales to Other	Total Net	Segment	As of June 30,
June 30, 2015	Customers	Segments	Sales	Profit	Goodwill
U.S. Operations	\$203,352	\$22,840	\$226,192	\$36,964	\$308,863
Swiss Operations	33,234	102,019	135,253	33,654	23,198
Western European Operations	150,143	27,540	177,683	23,346	96,552
Chinese Operations	91,012	45,250	136,262	36,179	746
Other (a)	104,316	1,588	105,904	9,990	13,123
Eliminations and Corporate (b)	—	(199,237)	(199,237)	(21,823)	—
Total	\$582,057	\$—	\$582,057	\$118,310	\$442,482

For the six months ended	Net Sales to External	Net Sales to Other	Total Net	Segment
June 30, 2015	Customers	Segments	Sales	Profit
U.S. Operations	\$381,572	\$41,132	\$422,704	\$61,190
Swiss Operations	64,458	201,802	266,260	70,224
Western European Operations	292,219	54,900	347,119	43,687
Chinese Operations	177,461	88,755	266,216	69,415
Other (a)	202,048	2,945	204,993	18,972
Eliminations and Corporate (b)	—	(389,534)	(389,534)	(47,872)
Total	\$1,117,758	\$—	\$1,117,758	\$215,616

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

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

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

For the three months ended	Net Sales to External Customers	Net Sales to Other Segments	Total Net Sales	Segment Profit (c)	As of June 30, 2014 Goodwill
June 30, 2014					
U.S. Operations	\$193,354	\$21,136	\$214,490	\$32,383	\$307,975
Swiss Operations	34,141	108,163	142,304	31,917	24,229
Western European Operations	169,517	27,435	196,952	23,685	109,921
Chinese Operations	99,922	37,398	137,320	38,488	738
Other (a)	111,900	1,947	113,847	10,929	14,896
Eliminations and Corporate (b)	—	(196,079)	(196,079)	(24,454)	—
Total	\$608,834	\$—	\$608,834	\$112,948	\$457,759

For the six months ended	Net Sales to External Customers	Net Sales to Other Segments	Total Net Sales	Segment Profit (c)	
June 30, 2014					
U.S. Operations	\$357,348	\$41,912	\$399,260	\$54,020	
Swiss Operations	67,147	216,388	283,535	64,145	
Western European Operations	330,084	56,874	386,958	44,561	
Chinese Operations	191,543	72,942	264,485	70,284	
Other (a)	213,333	3,082	216,415	20,088	
Eliminations and Corporate (b)	—	(391,198)	(391,198)	(49,197)	
Total	\$1,159,455	\$—	\$1,159,455	\$203,901	

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

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

(c) 2014 Segment profit between the U.S., Swiss, and Chinese Operations has been reclassified to conform to the current period.

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

	Three Months Ended		Six Months Ended	
	2015	2014	2015	2014
Earnings before taxes	\$102,047	\$97,398	\$185,010	\$173,782
Amortization	7,634	7,283	15,162	14,377
Interest expense	6,942	5,956	13,667	11,622
Restructuring charges	1,720	1,905	2,627	3,397
Other charges (income), net	(33)	406)	(850)	723)
Segment profit	\$118,310	\$112,948	\$215,616	\$203,901

During the three months ended June 30, 2015, restructuring charges of \$1.7 million were recognized, of which \$0.1 million, \$0.4 million, \$0.7 million, \$0.2 million and \$0.3 million related to the Company's U.S., Swiss, Western European, Chinese, and Other Operations, respectively. Restructuring charges of \$1.9 million were recognized during the three months ended June 30, 2014, of which \$1.0 million, \$0.3 million, \$0.5 million, and \$0.1 million related to the Company's U.S., Swiss, Western

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European, and Chinese Operations, respectively. Restructuring charges of \$2.6 million were recognized during the six months ended June 30, 2015, of which \$0.1 million, \$1.1 million, \$0.5 million, \$0.3 million, and \$0.6 million related to the Company's U.S., Swiss, Western European, Chinese, and Other Operations, respectively. Restructuring charges of \$3.4 million were recognized during the six months ended June 30, 2014, of which \$1.6 million, \$0.6 million, \$0.6 million, \$0.3 million and \$0.3 million related to the Company's U.S., Swiss, Western European, Chinese and Other Operations, respectively.

14. CONTINGENCIES

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

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

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

General

Our interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Operating results for the three and six months ended June 30, 2015 are not necessarily indicative of the results to be expected for the full year ending December 31, 2015.

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

Results of Operations – Consolidated

The following tables set forth certain items from our interim consolidated statements of operations for the three and six month periods ended June 30, 2015 and 2014 (amounts in thousands).

	Three months ended June 30,				Six months ended June 30,			
	2015		2014		2015		2014	
	(unaudited)	%	(unaudited)	%	(unaudited)	%	(unaudited)	%
Net sales	\$582,057	100.0	\$608,834	100.0	\$1,117,758	100.0	\$1,159,455	100.0
Cost of sales	259,145	44.5	280,658	46.1	496,041	44.4	538,638	46.5
Gross profit	322,912	55.5	328,176	53.9	621,717	55.6	620,817	53.5
Research and development	29,794	5.1	32,125	5.3	58,255	5.2	61,622	5.3
Selling, general and administrative	174,808	30.1	183,103	30.1	347,846	31.1	355,294	30.6
Amortization	7,634	1.3	7,283	1.2	15,162	1.4	14,377	1.2
Interest expense	6,942	1.2	5,956	1.0	13,667	1.2	11,622	1.0
Restructuring charges	1,720	0.3	1,905	0.3	2,627	0.2	3,397	0.3
Other charges (income), net	(33)	—	406	—	(850)	(0.1)	723	0.1
Earnings before taxes	102,047	17.5	97,398	16.0	185,010	16.6	173,782	15.0
Provision for taxes	24,490	4.2	23,376	3.8	44,402	4.0	41,709	3.6
Net earnings	\$77,557	13.3	\$74,022	12.2	\$140,608	12.6	\$132,073	11.4

Net sales

Net sales were \$582.1 million and \$608.8 million for the three months ended June 30, 2015 and 2014, respectively, and \$1.118 billion and \$1.159 billion for the six months ended June 30, 2015 and 2014. This represents a decrease of 4% in U.S. dollars for both the three and six months ended June 30, 2015. Excluding the effect of currency exchange rate fluctuations, or in local currencies, net sales increased 3% and 4% for the three and six months ended June 30, 2015, as compared to prior year comparable periods. Currency exchange rate fluctuations negatively impacted net sales as most of our non-U.S. dollar trading currencies, especially the euro, have weakened against the U.S. dollar. While market conditions remain stable to favorable in most parts of the world, we see unfavorable market conditions in China, Russia and Brazil, where customer

investments have slowed due to a variety of economic factors. We remain cautious about our sales growth outlook as the timing of a market recovery in these three countries remains uncertain.

Net sales by geographic destination for the three and six months ended June 30, 2015 in U.S. dollars increased in the Americas 3% and 4%, in Asia/Rest of World decreased 4% and 2%, and in Europe decreased 13% for both periods, respectively. Our net sales by geographic destination for the three and six months ended June 30, 2015 in local currencies increased in the Americas 5% and 6%, in Europe 4% and 3%, and in Asia/Rest of World was flat and increased 2%, respectively. Net sales were impacted by significant sales declines in China, Russia and Brazil. A discussion of sales by operating segment is included below.

As described in Note 16 to our consolidated financial statements for the year ended December 31, 2014, our net sales comprise product sales of precision instruments and related services. Service revenues are primarily derived from repair and other services, including regulatory compliance qualification, calibration, certification, preventative maintenance and spare parts.

Net sales of products decreased 4% in U.S. dollars and increased 3% in local currencies for the three months ended June 30, 2015 and decreased 3% in U.S. dollars and increased 4% local currencies for the six months ended June 30, 2015, compared to the corresponding periods in 2014. Service revenue (including spare parts) decreased by 6% in U.S. dollars and increased 4% in local currencies for the three months ended June 30, 2015 and decreased 5% in U.S. dollars and increased 4% in local currencies for the six months ended June 30, 2015, compared to the corresponding periods in 2014.

Net sales of our laboratory-related products, which represented approximately 47% of our total net sales decreased 2% in U.S. dollars and increased 5% in local currencies for the three months ended June 30, 2015 and decreased 1% in U.S. dollars and increased 7% in local currencies for the six months ended June 30, 2015. The local currency increase in net sales of our laboratory-related products for the three and six months ended June 30, 2015 was driven by strong volume and favorable price realization in most product categories, including strong growth in process analytics, pipettes and automated chemistry. These results were offset in part by significant sales volume declines in Brazil and Russia.

Net sales of our industrial-related products, which represented approximately 44% of our total net sales decreased 7% in U.S. dollars and was flat in local currencies for the three months ended June 30, 2015, and decreased 7% in U.S. dollars and increased 1% in local currencies for the six months ended June 30, 2015, respectively, compared to the corresponding prior year periods. Local currency net sales of our industrial-related products for the three and six months ended June 30, 2015 include strong growth in product inspection, particularly in Europe, due to increased volume. These results were offset by significant sales volume declines of industrial-related products in China, Russia and Brazil.

Net sales in our food retailing products, which represented approximately 9% of our total net sales, decreased 2% in U.S. dollars and increased 6% in local currencies for the three months ended June 30, 2015, and decreased 3% in U.S. dollars and increased 6% in local currencies for the six months ended June 30, 2015, compared to the corresponding prior year periods. The increase in net sales in local currencies of our food retailing products for the three months ended June 30, 2015 is driven by strong volume growth in the Americas and Asia/Rest of World offset in part by reduced net sales in Europe due to the timing of project activity.

Gross profit

Gross profit as a percentage of net sales was 55.5% and 53.9% for the three months ended June 30, 2015 and 2014, respectively, and 55.6% and 53.5% for the six months ended June 30, 2015 and 2014, respectively.

Gross profit as a percentage of net sales for products was 59.3% and 57.4% for the three months ended June 30, 2015 and 2014, respectively, and 59.7% and 57.2% for the six months ended June 30, 2015 and 2014, respectively.

Gross profit as a percentage of net sales for services (including spare parts) was 42.6% and 42.2% for the three months ended June 30, 2015 and 2014, respectively, and 41.9% and 41.4% for the six months ended June 30, 2015 and 2014, respectively.

The increase in gross profit as a percentage of net sales for the three and six months ended June 30, 2015 includes the benefit of hedging gains and currency translation, favorable price realization, increased sales volume, and reduced material costs, offset in part by investments in our field service organization.

Research and development and selling, general and administrative expenses

Research and development expenses as a percentage of net sales was 5.1% and 5.3% for the three months ended June 30, 2015 and 2014, respectively, and 5.2% and 5.3% for the six months ended June 30, 2015 and 2014. Research and development expenses decreased 7% and 2% in U.S. dollars and local currencies for the three months ended June 30, 2015, and decreased 5% and was flat in U.S. dollars and local currencies for the six months ended June 30, 2015, respectively, compared to the corresponding periods in 2014, relating to the timing of research and development project activity in previous year.

Selling, general and administrative expenses as a percentage of net sales were 30.0% and 30.1% for the three months ended June 30, 2015 and 2014, respectively, and were 31.1% and 30.6% for the six months ended June 30, 2015 and 2014. Selling, general and administrative expenses decreased 5% in U.S. dollars and increased 3% in local currencies for the three months ended June 30, 2015, respectively, and decreased 2% in U.S. dollars and increased 5% in local currencies for the six months ended June 30, 2015, compared to the corresponding periods in 2014. The increase includes additional investments in our field sales organization and higher employee benefit costs.

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

Amortization expense was \$7.6 million and \$7.3 million for the three months ended June 30, 2015 and 2014, respectively, and \$15.2 million and \$14.4 million for the six months ended June 30, 2015 and 2014, respectively.

Interest expense was \$6.9 million and \$6.0 million for the three months ended June 30, 2015 and 2014, respectively, and \$13.7 million and \$11.6 million for the six months ended June 30, 2015 and 2014, respectively. The increase in interest expense for the three and six month periods ended June 30, 2015 is primarily a result of an increase in average borrowings.

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

The provision for taxes is based upon using our projected annual effective tax rate of 24% for the three and six months periods ended June 30, 2015 and 2014. Our consolidated income tax rate is lower than the U.S. statutory rate primarily because of benefits from lower-taxed non-U.S. operations. The most significant of these lower-taxed operations are in Switzerland and China.

Results of Operations – by Operating Segment

The following is a discussion of the financial results of our operating segments. We currently have five reportable segments: U.S. Operations, Swiss Operations, Western European Operations, Chinese Operations and Other. A more detailed description of these segments is outlined in Note 16 to our consolidated financial statements for the year ended December 31, 2014.

U.S. Operations (amounts in thousands)

	Three months ended June 30,			Six months ended June 30,			
	2015	2014	%	2015	2014	%	%
Total net sales	\$226,192	\$214,490	5	% \$422,704	\$399,260	6	%
Net sales to external customers	\$203,352	\$193,354	5	% \$381,572	\$357,348	7	%
Segment profit	\$36,964	\$32,383	14	% \$61,190	\$54,020	13	%

Total net sales increased 5% and 6% for the three and six months ended June 30, 2015 compared with the corresponding periods in 2014. Net sales to external customers increased 5% and 7% for the three and six months ended June 30, 2015, respectively. The increase in total net sales and net sales to external customers for the three months ended June 30, 2015 reflects particularly strong sales growth in food retailing, automated chemistry, and process analytics.

Segment profit increased \$4.6 million and \$7.2 million for the three and six months ended June 30, 2015, respectively, compared to the corresponding periods in 2014. The increase in segment profit for the three months ended June 30, 2015 primarily related to increased sales, offset in part by increased sales and service investments.

Swiss Operations (amounts in thousands)

	Three months ended June 30,			Six months ended June 30,			
	2015	2014	% ¹⁾	2015	2014	% ¹⁾	%
Total net sales	\$135,253	\$142,304	(5)	)% \$266,260	\$283,535	(6))%
Net sales to external customers	\$33,234	\$34,141	(3)	)% \$64,458	\$67,147	(4))%
Segment profit	\$33,654	\$31,917	5	% \$70,224	\$64,145	9	%

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

Total net sales decreased 5% in U.S. dollars and was flat in local currency for the three months ended June 30, 2015, respectively, compared to the corresponding periods in 2014, and decreased 6% in U.S. dollars and decreased 1% in local currency for the six months ended June 30, 2015. Net sales to external customers decreased 3% in U.S. dollars and increased 1% in local currency for the three months ended June 30, 2015 and decreased 4% in U.S. dollars and was flat in local currency for the six months ended June 30, 2015, respectively, compared to the corresponding periods in 2014. The increase in local currency net sales to external customers for the three month periods ended June 30, 2015 includes strong volume growth in process analytics offset in part by volume decreases in industrial-related products related to soft market conditions.

Segment profit increased \$1.7 million and \$6.1 million for the three and six month periods ended June 30, 2015, respectively, compared to the corresponding periods in 2014. Segment profit includes the benefit of currency hedging, the impact of favorable inter-segment price realization and reduced material costs, offset in part by unfavorable foreign currency translation.

Western European Operations (amounts in thousands)

	Three months ended June 30,			Six months ended June 30,			
	2015	2014	% ¹⁾	2015	2014	% ¹⁾	%
Total net sales	\$177,683	\$196,952	(10)	)% \$347,119	\$386,958	(10))%
Net sales to external customers	\$150,143	\$169,517	(11)	)% \$292,219	\$330,084	(11))%
Segment profit	\$23,346	\$23,685	(1)	)% \$43,687	\$44,561	(2))%

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

Total net sales decreased 10% in U.S. dollars and increased 10% in local currencies for the three months ended June 30, 2015 and decreased 10% in U.S. dollars and increased 8% in local currencies for the six months ended June 30, 2015, respectively, compared to the corresponding periods in 2014. Net sales to external customers decreased 11% in U.S. dollars and increased 8% in local currencies for the three months ended June 30, 2015, and decreased 11% in U.S. dollars and increased 8% in local currencies for the six months ended June 30, 2015, compared to the corresponding periods in 2014. Total net sales and net sales to external customers for the three and six months ended June 30, 2015 includes volume increases and favorable price realization across most product categories, with particularly strong sales growth in product inspection and automated chemistry, offset in part by a decline in food retailing for the three months ended June 30, 2015.

Segment profit decreased \$0.3 million and \$0.9 million for the three and six month periods ended June 30, 2015, respectively, compared to the corresponding periods in 2014 primarily due to unfavorable foreign currency translation and increased sales and service investments, offset in part by increased total net sales in local currencies.

Chinese Operations (amounts in thousands)

	Three months ended June 30,			Six months ended June 30,				
	2015	2014	% ¹⁾	2015	2014	% ¹⁾		
Total net sales	\$136,262	\$137,320	(1)	)%	\$266,216	\$264,485	1)%
Net sales to external customers	\$91,012	\$99,922	(9)	)%	\$177,461	\$191,543	(7))%
Segment profit	\$36,179	\$38,488	(6)	)%	\$69,415	\$70,284	(1))%

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

Total net sales decreased 1% in U.S. dollars and 2% in local currency for the three months ended June 30, 2015 and increased 1% in U.S. dollars and was flat in local currency for the six months ended June 30, 2015, compared to the corresponding periods in 2014. Net sales to external customers decreased 9% in U.S. dollars and 10% in local currency for the three months ended June 30, 2015 and decreased 7% in U.S. dollars and 8% in local currency during the six months ended June 30, 2015, compared to the corresponding periods in 2014. The decrease in net sales to external customers during the three and six months ended June 30, 2015 reflects a significant sales volume decline in industrial-related products offset in part by growth in laboratory-related products and food retailing. Net sales to external customers in local currency for our industrial-related products decreased 20% for both the three and six months ended June 30, 2015.

Segment profit decreased \$2.3 million and \$0.9 million for the three and six month periods ended June 30, 2015, respectively, compared to the corresponding periods in 2014. The decrease in segment profit for the three and six months ended June 30, 2015 includes reduction in net sales to external customers, and increased sales and service investments, offset in part by favorable price realization and favorable business mix.

Other (amounts in thousands)

	Three months ended June 30,			Six months ended June 30,				
	2015	2014	% ¹⁾	2015	2014	% ¹⁾		
Total net sales	\$105,904	\$113,847	(7)	)%	\$204,993	\$216,415	(5))%
Net sales to external customers	\$104,316	\$111,900	(7)	)%	\$202,048	\$213,333	(5))%
Segment profit	\$9,990	\$10,929	(9)	)%	\$18,972	\$20,088	(6))%

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

Total net sales and net sales to external customers decreased 7% in U.S. dollars and increased 4% in local currencies for the three months ended June 30, 2015 and decreased 5% in U.S. dollars and increased 5% in local currencies for the six months ended June 30, 2015 compared to the corresponding periods in 2014. The increase in local currency total net sales and net sales to

external customers includes particularly strong volume growth and increased price realization in Southeast Asia and Japan, offset in part by a significant sales volume decline in Russia and Brazil.

Segment profit decreased \$0.9 million and \$1.1 million for the three and six months ended June 30, 2015, respectively, compared to the corresponding periods in 2014. The decrease in segment profit includes unfavorable currency translation, increased sales and service investments and unfavorable business mix.

Liquidity and Capital Resources

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

Cash provided by operating activities totaled \$163.8 million during the six months ended June 30, 2015, compared to \$151.0 million in the corresponding period in 2014. The increase in 2015 includes the increase in net earnings. The increase in 2015 includes higher net earnings and the timing of tax payments in the prior year, offset in part by the timing of accounts receivables collections in the prior year and increased cash incentive payments of approximately \$14 million.

Capital expenditures are made primarily for investments in information systems and technology, machinery, equipment and the purchase and expansion of facilities. Our capital expenditures totaled \$35.9 million for the six months ended June 30, 2015 compared to \$37.1 million in the corresponding period in 2014.

We plan to repatriate earnings from China, Switzerland, Germany, the United Kingdom and certain other countries in future years and expect the only additional cost associated with the repatriation of such earnings outside the United States will be withholding taxes. All other undistributed earnings are considered to be permanently reinvested. As of June 30, 2015, we have an immaterial amount of cash and cash equivalents outside the United States where undistributed earnings are considered permanently reinvested. Accordingly, we believe the tax impact associated with repatriating our undistributed foreign earnings will not have a material effect on our liquidity.

Senior Notes and Credit Facility Agreement

Our debt consisted of the following at June 30, 2015:

	June 30, 2015		
	U.S. Dollar	Other Principal Trading Currencies	Total
3.67% \$50 million Senior Notes due December 17, 2022	50,000	—	50,000
4.10% \$50 million Senior Notes due September 19, 2023	50,000	—	50,000
3.84% \$125 million Senior Notes due September 19, 2024	125,000	—	125,000
4.24% \$125 million Senior Notes due June 25, 2025	125,000	—	125,000
1.47% Euro 125 million Senior Notes due June 17, 2030	—	139,665	139,665
\$800 million Credit Agreement, interest at LIBOR plus 75 basis points	100,000	15,476	115,476
Other local arrangements	457	22,896	23,353
Total debt	450,457	178,037	628,494
Less: current portion	(457)	(22,896)	(23,353)
Total long-term debt	\$450,000	\$155,141	\$605,141

As of June 30, 2015, approximately \$680.1 million was available under our credit agreement. Changes in exchange rates between the currencies in which we generate cash flows and

the currencies in which our borrowings are denominated affect our liquidity. In addition, because we borrow in a variety of currencies, our debt balances fluctuate due to changes in exchange rates.

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

4.24% Senior Notes

In June 2014, the Company entered into an agreement to issue and sell \$250 million of ten-year Senior Notes in a private placement. The Company issued \$125 million with a fixed interest rate of 3.84% ("3.84% Senior Notes") in September 2014 and issued an additional \$125 million with a fixed interest rate of 4.24% ("4.24% Senior Notes") in June 2015. The Senior Notes are senior unsecured obligations of the Company. The 4.24% Senior Notes were used to repay \$100 million of 6.30% Senior Notes which were due June 25, 2015.

1.47% Euro Senior Notes

In June 2015, the Company issued the Euro 125 million with a fixed interest rate of 1.47% ("1.47% Euro Senior Notes") fifteen-year Senior Notes in a private placement. The Euro Senior Notes are senior unsecured obligations of the Company. Issuance costs approximating \$0.4 million will be amortized to interest expense over the fifteen year term of the Euro Senior Notes.

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

Share Repurchase Program

We have a share repurchase program of which there were \$230.9 million of remaining common shares authorized to be repurchased under the program at June 30, 2015. The share repurchases are expected to be funded from cash balances, borrowings and cash generated from operating activities. Repurchases will be made through open market transactions, and the amount and timing of purchases will depend on business and market conditions, the stock price, trading restrictions, the level of acquisition activity and other factors.

We have purchased 23.9 million shares since the inception of the program through June 30, 2015. During the six months ended June 30, 2015 and 2014, we spent \$247.5 million and \$184.0 million on the repurchase of 777,248 shares and 757,374 shares at an average price per share of \$318.38 and \$242.89, respectively. We also reissued 233,593 shares and 157,857 shares held in treasury for the exercise of stock options and restricted stock units during the six months ended June 30, 2015 and 2014, respectively.

Effect of Currency on Results of Operations

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

We entered into foreign currency forward contracts that reduce our exposure from the Swiss franc strengthening against the euro through 2016. The notional amount and average forward rate of our foreign currency forward contracts at June 30, 2015 is Euro 47 million and 1.20 for contracts that mature in 2015, and Euro 67 million and 1.19 for contracts that mature in 2016, respectively. In September 2011, the Swiss National Bank established an exchange rate floor of 1.20 Swiss francs per euro which was abandoned in January 2015 after we entered into the previously mentioned foreign currency forward contracts. The Swiss National Bank's abandonment of the euro exchange rate floor resulted in an immediate strengthening of the Swiss franc against the euro and U.S. dollar. Absent these forward currency forward contracts, we estimate a 1% strengthening of the Swiss franc against the euro would reduce our earnings before tax by approximately \$1.1 million to \$1.3 million annually. We also estimate a 1% strengthening of the Swiss franc against the U.S. dollar would reduce our earnings before tax by approximately \$0.5 million to \$0.7 million annually in addition to the previously mentioned strengthening of the Swiss franc against the euro impact. We also conduct business in many geographies throughout the world, including Asia Pacific, the United Kingdom, Eastern Europe, Latin America, and Canada. Fluctuations in these currency exchange rates against the U.S. dollar can also affect our operating results. The most significant of these currency exposures is the Chinese Renminbi. The impact on our earnings before tax of the Chinese Renminbi weakening 1% against the U.S. dollar is a reduction of approximately \$0.7 million to \$0.9 million annually.

In addition to the effects of exchange rate movements on operating profits, our debt levels can fluctuate due to changes in exchange rates, particularly between the U.S. dollar and the Euro. Based on our outstanding debt at June 30, 2015, we estimate that a 10% weakening of the U.S. dollar against the currencies in which our debt is denominated would result in an increase of approximately \$19.8 million in the reported U.S. dollar value of our debt.

Recent Accounting Pronouncements

In April 2015, the FASB issued ASU 2015-03, to ASC 835-30 "Interest - Imputation of Interest." ASU 2015-03 will require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The guidance becomes effective for financial statements issued for fiscal years beginning January 1, 2016, with early adoption permitted. We do not believe the adoption of this guidance will have a material impact on the consolidated financial position of the Company.

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

Forward-Looking Statements Disclaimer

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

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

Our forward-looking statements may not be accurate or complete, and we do not intend to update or revise them in light of actual results. New risks also periodically arise. Please consider the risks and factors that could cause our results to differ materially from what is described in our forward-looking statements. See in particular “Factors Affecting Our Future Operating Results” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2014 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of June 30, 2015, there was no material change in the information provided under Item 7A in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer, Principal Financial Officer and the Principal Accounting Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer, Principal Financial Officer, and Principal Accounting Officer, have concluded that these disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting during the quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings. None

Item 1A. Risk Factors.

For the six months ended June 30, 2015 there were no material changes from risk factors disclosed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

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

Issuer Purchases of Equity Securities

	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value (in thousands) of Shares that may yet be Purchased under the Program
April 1 to April 30, 2015	114,110	\$325.22	114,110	\$317,517
May 1 to May 31, 2015	126,950	\$324.87	126,950	\$276,272
June 1 to June 30, 2015	135,343	\$335.20	135,343	\$230,903
Total	376,403	\$328.38	376,403	\$230,903

The Company has a share repurchase program of which there were \$230.9 million of remaining to repurchase common shares as of June 30, 2015. We have purchased 23.9 million shares since the inception of the program through June 30, 2015.

During the six months ended June 30, 2015 and 2014, we spent \$247.5 million and \$184.0 million on the repurchase of 777,248 shares and 757,374 shares at an average price per share of \$318.38 and \$242.89, respectively. We also reissued 233,593 shares and 157,857 shares held in treasury for the exercise of stock options and restricted stock units during the six months ended June 30, 2015 and 2014, respectively.

Item 3. Defaults Upon Senior Securities. None

Item 5. Other information. None

Item 6. Exhibits. See Exhibit Index below.

SIGNATURE

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

Date: July 31, 2015

Mettler-Toledo International Inc.

By: /s/ Shawn P. Vadala

Shawn P. Vadala
Chief Financial Officer Principal
Accounting Officer

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EXHIBIT INDEX

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

* Filed herewith