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

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2017, OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ____________ TO ________________

Commission File Number: 1-13595

Mettler-Toledo International Inc.

(Exact name of registrant as specified in its charter)

Delaware	13-3668641
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)

1900 Polaris Parkway
Columbus, Ohio 43240
and
Im Langacher, P.O. Box MT-100
CH 8606 Greifensee, Switzerland

(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 _X_ No ___

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web-site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes _X_ 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 _X_ Accelerated filer __ Non-accelerated filer __ (Do not check if a smaller reporting company)Smaller reporting company __ Emerging growth company __

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. __

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

The Registrant had 25,821,995 shares of Common Stock outstanding at March 31, 2017.

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 March 31, 2017 and 2016
(In thousands, except share data)
(unaudited)

	March 31, 2017	March 31, 2016
Net sales		
Products	$ 457,260	$ 413,292
Service	137,307	126,382
Total net sales	594,567	539,674
Cost of sales		
Products	175,802	165,857
Service	75,865	73,910
Gross profit	342,900	299,907
Research and development	31,392	28,973
Selling, general and administrative	184,172	168,921
Amortization	10,045	8,424
Interest expense	7,741	6,580
Restructuring charges	1,432	880
Other charges (income), net	(5,730)	(284)
Earnings before taxes	113,848	86,413
Provision for taxes	21,382	20,739
Net earnings	$ 92,466	$ 65,674
Basic earnings per common share:		
Net earnings	$ 3.57	$ 2.44
Weighted average number of common shares	25,932,112	26,931,293
Diluted earnings per common share:		
Net earnings	$ 3.48	$ 2.40
Weighted average number of common and common equivalent shares	26,586,061	27,421,019
Total comprehensive income, net of tax (Note 8)	$ 116,344	$ 72,506

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

METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED BALANCE SHEETS
As of March 31, 2017 and December 31, 2016
(In thousands, except share data)
(unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 164,893	$ 158,674
Trade accounts receivable, less allowances of $14,800 at March 31, 2017 and $14,234 at December 31, 2016	439,413	454,988
Inventories	242,375	222,047
Other current assets and prepaid expenses	66,184	61,075
Total current assets	912,865	896,784
Property, plant and equipment, net	572,058	563,707
Goodwill	478,652	476,378
Other intangible assets, net	165,476	167,055
Deferred tax assets, net	38,027	33,951
Other non-current assets	36,686	28,902
Total assets	$ 2,203,764	$ 2,166,777
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	$ 137,827	$ 146,593
Accrued and other liabilities	128,671	133,167
Accrued compensation and related items	95,948	140,461
Deferred revenue and customer prepayments	132,930	100,330
Taxes payable	46,310	47,990
Short-term borrowings and current maturities of long-term debt	19,476	18,974
Total current liabilities	561,162	587,515
Long-term debt	944,211	875,056
Deferred tax liabilities, net	56,852	64,306
Other non-current liabilities	201,687	204,957
Total liabilities	1,763,912	1,731,834
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 25,821,995 and 26,020,234 shares at March 31, 2017 and December 31, 2016, respectively	448	448
Additional paid-in capital	734,378	730,556
Treasury stock at cost (18,964,016 shares at March 31, 2017 and 18,765,777 shares at December 31, 2016)	(3,121,111)	(3,006,771)
Retained earnings	3,157,257	3,065,708
Accumulated other comprehensive loss	(331,120)	(354,998)
Total shareholders' equity	439,852	434,943
Total liabilities and shareholders' equity	$ 2,203,764	$ 2,166,777

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

METTLER-TOLEDO INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Three months ended March 31, 2017 and twelve months ended December 31, 2016
(In thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount					
Balance at December 31, 2015	27,090,118	$ 448	$ 697,570	$ (2,543,229)	$ 2,692,317	$ (266,649)	$ 580,457
Exercise of stock options and restricted stock units	278,623	—	—	36,450	(10,979)	—	25,471
Repurchases of common stock	(1,348,507)	—	—	(499,992)	—	—	(499,992)
Tax benefit resulting from exercise of certain employee stock options	—	—	17,680	—	—	—	17,680
Share-based compensation	—	—	15,306	—	—	—	15,306
Net earnings	—	—	—	—	384,370	—	384,370
Other comprehensive income (loss), net of tax (Note 8)	—	—	—	—	—	(88,349)	(88,349)
Balance at December 31, 2016	26,020,234	$ 448	$ 730,556	$ (3,006,771)	$ 3,065,708	$ (354,998)	$ 434,943
Exercise of stock options and restricted stock units	76,849	—	—	10,657	(2,456)	—	8,201
Repurchases of common stock	(275,088)	—	—	(124,997)	—	—	(124,997)
Share-based compensation	—	—	3,822	—	—	—	3,822
Effect of accounting change (Note 2)	—	—	—	—	1,539	—	1,539
Net earnings	—	—	—	—	92,466	—	92,466
Other comprehensive income (loss), net of tax (Note 8)	—	—	—	—	—	23,878	23,878
Balance at March 31, 2017	25,821,995	$ 448	$ 734,378	$ (3,121,111)	$ 3,157,257	$ (331,120)	$ 439,852

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
Three months ended March 31, 2017 and 2016
(In thousands)
(unaudited)

	March 31, 2017	March 31, 2016
Cash flows from operating activities:		
Net earnings	$ 92,466	$ 65,674
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	7,966	8,122
Amortization	10,045	8,424
Deferred tax benefit	(1,470)	(3,304)
Share-based compensation	3,822	3,656
Gain on facility sale	(3,394)	—
Other	(10)	(77)
Increase (decrease) in cash resulting from changes in:		
Trade accounts receivable, net	23,289	28,610
Inventories	(15,795)	(10,267)
Other current assets	(2,045)	(1,453)
Trade accounts payable	(10,614)	(21,905)
Taxes payable	(9,209)	519
Accruals and other	(27,452)	(36,494)
Net cash provided by operating activities	67,599	41,505
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	10,003	135
Purchase of property, plant and equipment	(21,015)	(14,348)
Acquisitions	—	(4,329)
Net hedging settlements on intercompany loans	312	2,128
Net cash used in investing activities	(10,700)	(16,414)
Cash flows from financing activities:		
Proceeds from borrowings	472,732	229,413
Repayments of borrowings	(409,881)	(124,467)
Proceeds from stock option exercises	8,201	5,909
Repurchases of common stock	(124,997)	(125,000)
Other financing activities	—	(125)
Net cash used in financing activities	(53,945)	(14,270)
Effect of exchange rate changes on cash and cash equivalents	3,265	887
Net increase in cash and cash equivalents	6,219	11,708
Cash and cash equivalents:		
Beginning of period	158,674	98,887
End of period	$ 164,893	$ 110,595

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

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
At March 31, 2016 – 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, 2016.

The accompanying interim consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. Operating results for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year ending December 31, 2017.

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, 2016.

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.

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

Inventories

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

Inventories consisted of the following:

	March 31, 2017	December 31, 2016
Raw materials and parts	$ 107,256	$ 100,408
Work-in-progress	46,369	41,454
Finished goods	88,750	80,185
	$ 242,375	$ 222,047

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

Other intangible assets consisted of the following:

	March 31, 2017			December 31, 2016		
	Gross Amount	Accumulated Amortization	Intangibles, Net	Gross Amount	Accumulated Amortization	Intangibles, Net
Customer relationships	$ 147,776	$ (36,190)	$ 111,586	$ 147,466	$ (34,672)	$ 112,794
Proven technology and patents	59,057	(35,981)	23,076	58,394	(35,128)	23,266
Tradename (finite life)	4,296	(2,738)	1,558	4,182	(2,514)	1,668
Tradename (indefinite life)	28,339	—	28,339	28,272	—	28,272
Other	2,884	(1,967)	917	2,871	(1,816)	1,055
	$ 242,352	$ (76,876)	$ 165,476	$ 241,185	$ (74,130)	$ 167,055

The Company recognized amortization expense associated with the above intangible assets of $2.5 million and $1.8 million for the three months ended March 31, 2017 and 2016, respectively. The annual aggregate amortization expense based on the current balance of other intangible assets is estimated at $9.8

million for 2017, $9.6 million for 2018, $9.2 million for 2019, $8.8 million for 2020, $8.2 million for 2021 and $7.2 million for 2022. Purchased intangible amortization was $2.3 million, $1.5 million after tax and $1.7 million, $1.1 million after tax for the three months ended March 31, 2017 and 2016, respectively.

In addition to the above amortization, the Company recorded amortization expense associated with capitalized software of $7.5 million and $6.6 million for the three months ended March 31, 2017 and 2016, 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, revenue is deferred until the obligation has been completed. The Company defers product revenue where installation is required, unless such installation is deemed perfunctory. The Company also sometimes enters into certain arrangements that require the separate delivery of multiple goods and/or services. These deliverables are accounted for separately if the deliverables have standalone value and the performance of undelivered items is probable and within the Company's control. The allocation of revenue between the separate deliverables is typically based on the relative selling price at the time of the sale in accordance with a number of factors including service technician billing rates, time to install and geographic location.

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

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

Warranty

The Company generally offers one-year warranties on most of its products. Product warranties are recorded at the time revenue is recognized. While the Company engages in extensive product quality programs and processes, its warranty obligation is 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 comprehensive income with a corresponding offset to additional paid-in capital in the consolidated balance sheet. The Company recorded $3.8 million and $3.7 million of share-based compensation expense for the three months ended March 31, 2017 and 2016, respectively.

Research and Development

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

Recent Accounting Pronouncements

In January 2017, the Company adopted ASU 2016-09, to ASC 718 "Compensation - Stock Compensation." The primary impact of adoption was the recognition of excess tax benefits from stock option exercises within the provision for taxes rather than within shareholder's equity, and a change in the determination of diluted earnings per common share. The Company adopted the guidance on a prospective basis, and expects its estimated annual tax rate will be reduced by 2% in 2017. The adoption of this guidance also reduced the Company's income tax rate by approximately 5% for the three months ending March 31, 2017. In addition, the Company recognized additional deferred tax assets of $1.5 million as a cumulative adjustment within shareholder's equity. The Company also classified on a retrospective basis the excess tax benefits from stock option exercises as operating activities in the Statements of Cash Flows. For additional disclosure, see Note 5 to the interim consolidated financial statements.

The FASB issued ASU 2014-09, ASU 2016-10 and ASU 2016-12 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. ASU 2016-10 provides guidance for identifying performance obligations as they pertain to immaterial promised goods or services, shipping and handling activities, and identifying when promises represent performance obligations. ASU 2016-12 provides guidance for assessing collectability, presentation of sales taxes, noncash considerations, and completed contract modifications at transition. The guidance becomes effective for the Company for the year beginning January 1, 2018. The Company is finalizing its evaluation of the impact of the adoption of this guidance and believes it will have an immaterial impact on the Company's consolidated results of operations and financial position. The estimated impact to the Company's results is expected to be immaterial because most of its performance obligations are satisfied at the time of title transfer and risk of loss to the customer which is generally upon shipment. In addition, contracts with end-customers typically do not exceed a year, and generally pertain to service contracts that represent an obligation to perform repair or other services on a customer's pre-defined equipment over the contract period. The Company also sometimes enters into contracts with end-customers that comprise arrangements that require separate delivery of multiple goods and/or services, including post-shipment obligations such as installation. Immaterial impacts from adopting the new standard include the recognition of certain revenue for performance obligations that were deferred until post-shipment obligations were completed. The number of performance obligations under the new standard is also not materially different from the Company's financial accounting and reporting model under the existing standard. The Company is still evaluating the adoption method it will elect upon implementation. The Company is also in the process of implementing appropriate changes to its business processes, systems and controls to support recognition and disclosures under the new standard.

In March 2017, the FASB issued ASU 2017-7, to ASC 715 "Compensation-Retirement Benefits," which will require the Company to report the non-service cost components of net periodic benefit cost in other charges (income), net. The new guidance must be applied retrospectively and becomes effective for the year beginning January 1, 2018. The Company expects the impact of this guidance will be immaterial.

In February 2016, the FASB issued ASU 2016-02 to ASC 842 "Leases." The accounting guidance primarily requires lessees to recognize most leases on their balance sheet as a right to use asset and a lease liability, with the exception of short term leases. A lessee will continue to recognize lease expense on a straight-line basis for leases classified as operating leases. The guidance becomes effective for fiscal years beginning after December 15, 2018 and must be applied on a retrospective basis with early adoption permitted. The Company is currently evaluating the impact of this guidance on the financial statements and the timing of adoption.

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 to the interim consolidated financial statements.

Cash Flow Hedges

The Company has an interest rate swap agreement designated as a cash flow hedge. The agreement is a swap which has the effect of changing the floating rate LIBOR-based interest payments associated with $50 million in borrowings under the Company's credit facility to a fixed obligation of 2.52%. The swap began in October 2015 and matures in October 2020.

In March 2015, the Company entered into a forward-starting interest rate swap agreement. The agreement is a swap which has the effect of changing the floating rate LIBOR-based interest payments associated with $100 million in borrowings under the Company's credit agreement to a fixed obligation of 2.25%. The swap began in February 2017 and matures in February 2022.

The Company's cash flow hedges are recorded gross at fair value in the consolidated balance sheet at March 31, 2017 and December 31, 2016, respectively, and disclosed in Note 4 to the consolidated financial statements. Amounts reclassified into other comprehensive income and the effective portions of the cash flow hedges are further disclosed in Note 8 to the consolidated financial statements. A derivative loss of $1.0 million based upon interest rates at March 31, 2017, is expected to be reclassified from other comprehensive income (loss) to earnings in the next twelve months. Through March 31, 2017, 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 March 31, 2017 and December 31, 2016 as disclosed in Note 4. The Company recognized in other charges (income), a net gain of $1.7 million and $1.0 million during the three months ended March 31, 2017 and 2016, respectively. At March 31, 2017 and December 31, 2016, these contracts had a notional value of $335.8 million and $353.0 million, respectively.

4. FAIR VALUE MEASUREMENTS

At March 31, 2017 and December 31, 2016, the Company had derivative assets totaling $1.1 million and $0.8 million, respectively, and derivative liabilities totaling $3.8 million and $5.8 million, respectively. The fair values of the interest rate swap agreement and foreign currency forward contracts that economically hedge short-term intercompany balances are estimated based upon inputs from current valuation information obtained from dealer quotes and priced with observable market assumptions and appropriate valuation adjustments for credit risk. The Company has evaluated the valuation methodologies used to develop the fair values by dealers in order to determine whether such valuations are representative of an exit price in the Company's principal market. In addition, the Company uses an internally developed model to perform testing on the valuations received from brokers. The Company has also considered both its own credit risk and counterparty credit risk in determining fair value and determined these adjustments were insignificant at March 31, 2017 and December 31, 2016.

At March 31, 2017 and December 31, 2016, the Company had $28.7 million and $21.5 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 fair value of the Company's debt exceeds the carrying value by approximately $4.7 million as of March 31, 2017 and $4.2 million as of December 31, 2016.

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

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

The following table presents for each of these hierarchy levels, the Company’s assets and liabilities that are measured at fair value on a recurring basis at March 31, 2017 and December 31, 2016:

	March 31, 2017				December 31, 2016			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Cash equivalents	$ 28,669	$ —	$ 28,669	$ —	$ 21,513	$ —	$ 21,513	$ —
Foreign currency forward contracts not designated as hedging instruments	1,071	—	1,071	—	791	—	791	—
Total	$ 29,740	$ —	$ 29,740	$ —	$ 22,304	$ —	$ 22,304	$ —
Liabilities:								
Interest rate swap agreements	$ 3,040	$ —	$ 3,040	$ —	$ 3,630	$ —	$ 3,630	$ —
Foreign currency forward contracts not designated as hedging instruments	758	—	758	—	2,123	—	2,123	—
Total	$ 3,798	$ —	$ 3,798	$ —	$ 5,753	$ —	$ 5,753	$ —

5. INCOME TAXES

The provision for taxes is based upon using the Company's estimated annual effective tax rate of 22% and 24% for the three month periods ended March 31, 2017 and 2016. The reduction in the Company's estimated annual effective tax rate from 24% to 22%, as well as the Company's reported tax rate of 19% during the three months ending March 31, 2017, is primarily related to the Company's adoption of ASU 2016-09 pertaining to excess tax benefits associated with stock option exercises. The Company's 2017 estimated annual tax rate of 22% includes an estimated benefit of 2% related to the adoption of ASU 2016-09, the effects of which will be treated discretely each quarter.

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

6. DEBT

Debt consisted of the following at March 31, 2017:

	March 31, 2017		
	U.S. Dollar	Other Principal Trading Currencies	Total
$50 million Senior Notes, interest 3.67%, due December 17, 2022	$ 50,000	$ —	$ 50,000
$50 million Senior Notes, interest 4.10%, due September 19, 2023	50,000	—	50,000
$125 million Senior Notes, interest 3.84%, due September 19, 2024	125,000	—	125,000
$125 million Senior Notes, interest 4.24%, due June 25, 2025	125,000	—	125,000
Euro 125 million Senior Notes, interest 1.47%, due June 17, 2030	—	134,842	134,842
Debt issuance costs, net	(1,213)	(378)	(1,591)
Total Senior Notes	348,787	134,464	483,251
$800 million Credit Agreement, interest at LIBOR plus 87.5 basis points	332,305	128,655	460,960
Other local arrangements	430	19,046	19,476
Total debt	681,522	282,165	963,687
Less: current portion	(430)	(19,046)	(19,476)
Total long-term debt	$ 681,092	$ 263,119	$ 944,211

As of March 31, 2017, the Company had $333.6 million of availability remaining under its Credit Agreement.

1.47% Euro Senior Notes

The Company has designated the 1.47% Euro Senior Notes as a hedge of a portion of its net investment in a euro-denominated foreign subsidiary to reduce foreign currency risk associated with this net investment. 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 pre-tax unrealized loss recorded in other comprehensive income (loss) related to this net investment hedge was $3.3 million and $3.6 million for the three months ended March 31, 2017 and 2016, respectively.

7. SHARE REPURCHASE PROGRAM AND TREASURY STOCK

The Company has a share repurchase program of which there was $858.4 million common shares remaining to be repurchased under the program as of March 31, 2017. The share repurchases are expected to be funded from cash generated from operating activities, borrowings and existing cash balances. Repurchases will be made through open market transactions, and the amount and timing of repurchases will depend on business and market conditions, stock price, trading restrictions, the level of acquisition activity, and other factors.

The Company has purchased 26.3 million shares since the inception of the program in 2004 through March 31, 2017. During both the three months ended March 31, 2017 and 2016, the Company spent $125.0 million on the repurchase of 275,088 shares and 390,337 shares at an average price per share of $454.37 and $320.22, respectively. The Company reissued 76,849 shares and 59,321 shares held in treasury for the exercise of stock options and restricted stock units during the three months ended March 31, 2017 and 2016, respectively.

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

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table presents changes in accumulated other comprehensive income by component for the periods ended March 31, 2017 and 2016:

	Currency Translation Adjustment	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, 2016	$ (115,322)	$ (2,232)	$ (237,444)	$ (354,998)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) cash flow hedging arrangements	—	152	—	152
Foreign currency translation adjustment	24,349	—	(4,546)	19,803
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	211	3,712	3,923
Net change in other comprehensive income (loss), net of tax	24,349	363	(834)	23,878
Balance at March 31, 2017	$ (90,973)	$ (1,869)	$ (238,278)	$ (331,120)

	Currency Translation Adjustment	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, 2015	$ (57,394)	$ 3,016	$ (212,271)	$ (266,649)
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) cash flow hedging arrangements	—	(2,653)	—	(2,653)
Foreign currency translation adjustment	10,914	(554)	(2,835)	7,525
Amounts recognized from accumulated other comprehensive income (loss), net of tax	—	(977)	2,937	1,960
Net change in other comprehensive income (loss), net of tax	10,914	(4,184)	102	6,832
March 31, 2016	$ (46,480)	$ (1,168)	$ (212,169)	$ (259,817)

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

The following table presents amounts recognized from accumulated other comprehensive income for the three months ended March 31:

	2017	2016	Location of Amounts Recognized in Earnings
Effective portion of (gains) losses on cash flow hedging arrangements:			
Interest rate swap agreements	$ 344	$ 264	Interest expense
Foreign currency forward contracts	—	(1,433)	Cost of sales - products
Total before taxes	344	(1,169)	
Provision for taxes	133	(192)	Provision for taxes
Total, net of taxes	$ 211	$ (977)	
Recognition of defined benefit pension and post-retirement items:			
Recognition of actuarial (gains) losses, plan amendments and prior service cost, before taxes	$ 5,039	$ 3,960	(a)
Provision for taxes	1,327	1,023	Provision for taxes
Total, net of taxes	$ 3,712	$ 2,937	

(a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and post-retirement cost. See Note 10 for additional details for the three months ended March 31, 2017 and 2016.

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

	March 31, 2017	March 31, 2016
Net earnings	$ 92,466	$ 65,674
Other comprehensive income (loss), net of tax	23,878	$ 6,832
Comprehensive income (loss), net of tax	$ 116,344	$ 72,506

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9. EARNINGS PER COMMON SHARE

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

	2017	2016
Three months ended	653,949	489,726

The determination of the common share equivalents for the three months ended March 31, 2017 includes the effect of the adoption of guidance ASU 2016-09 as described in Note 2. Outstanding options and restricted stock units to purchase or receive 93,005 and 176,917 shares of common stock for the three months ended March 31, 2017 and 2016, respectively, have been excluded from the calculation of diluted weighted average number of common and common equivalent shares as such options and restricted stock units would be anti-dilutive.

10. NET PERIODIC BENEFIT COST

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

	U.S. Pension Benefits		Non-U.S. Pension Benefits		Other U.S. Post-retirement Benefits		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Service cost, net	$ 141	$ 117	$ 3,988	$ 4,145	$ —	$ —	$ 4,129	$ 4,262
Interest cost on projected benefit obligations	1,094	1,292	2,052	2,647	18	19	3,164	3,958
Expected return on plan assets	(1,684)	(2,099)	(7,322)	(8,247)	—	—	(9,006)	(10,346)
Recognition of prior service cost	—	—	(1,879)	(1,261)	(195)	(469)	(2,074)	(1,730)
Recognition of actuarial losses/(gains)	1,639	1,890	5,947	4,473	(473)	(673)	7,113	5,690
Net periodic pension cost/(credit)	$ 1,190	$ 1,200	$ 2,786	$ 1,757	$ (650)	$ (1,123)	$ 3,326	$ 1,834

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, the Company expects to make employer contributions of approximately $18.9 million to its non-U.S. pension plan and employer contributions of approximately $0.5 million to its U.S. post-retirement medical plan during the year ended December 31, 2017. 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 months ending March 31, 2017, the Company incurred $1.4 million of restructuring expenses which primarily comprise employee related costs. Liabilities related to restructuring activities are included in accrued and other liabilities in the consolidated balance sheet.

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A rollforward of the Company's accrual for restructuring activities for the three months ended March 31, 2017 is as follows:

	Total
Balance at December 31, 2016	$ 9,531
Restructuring charges	1,432
Cash payments / utilization	(2,578)
Impact of foreign currency	198
Balance at March 31, 2017	$ 8,583

12. OTHER CHARGES (INCOME), NET

Other charges (income), net includes a one-time gain of $3.4 million for the three months ended March 31, 2017 relating to the sale of a facility in Switzerland in connection with the Company's initiative to consolidate certain Swiss operations into a new facility. Other charges (income), net also includes (gains) losses from foreign currency transactions and hedging activities, interest income and other items.

13. SEGMENT REPORTING

As disclosed in Note 17 to the Company's consolidated financial statements for the year ending December 31, 2016, 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 reportable segments:

For the three months ended March 31, 2017	Net Sales to External Customers	Net Sales to Other Segments	Total Net Sales	Segment Profit	Goodwill
U.S. Operations	$ 215,353	$ 22,412	$ 237,765	$ 38,822	$ 357,526
Swiss Operations	29,747	127,553	157,300	36,018	21,771
Western European Operations	147,323	42,942	190,265	23,226	83,777
Chinese Operations	90,781	52,932	143,713	44,659	643
Other (a)	111,363	1,597	112,960	13,118	14,935
Eliminations and Corporate (b)	—	(247,436)	(247,436)	(28,507)	—
Total	$ 594,567	$ —	$ 594,567	$ 127,336	$ 478,652

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For the three months ended March 31, 2016	Net Sales to External Customers	Net Sales to Other Segments (c)	Total Net Sales (c)	Segment Profit (c)	Goodwill
U.S. Operations	$ 187,934	$ 20,315	$ 208,249	$ 29,265	$ 319,715
Swiss Operations	26,989	116,927	143,916	35,072	22,241
Western European Operations	137,628	34,474	172,102	19,699	91,482
Chinese Operations	84,947	46,817	131,764	38,036	692
Other (a)	102,176	1,354	103,530	11,094	14,053
Eliminations and Corporate (b)	—	(219,887)	(219,887)	(31,153)	—
Total	$ 539,674	$ —	$ 539,674	$ 102,013	$ 448,183

(a) Other includes reporting units in Southeast Asia, Latin America, Eastern Europe 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) 2016 net sales and segment profit have been reclassified to conform to the current period.

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

	Three Months Ended	
	March 31, 2017	March 31, 2016
Earnings before taxes	$ 113,848	$ 86,413
Amortization	10,045	8,424
Interest expense	7,741	6,580
Restructuring charges	1,432	880
Other charges (income), net	(5,730)	(284)
Segment profit	$ 127,336	$ 102,013

During the three months ended March 31, 2017, restructuring charges of $1.4 million were recognized, of which $0.8 million, $0.4 million, $0.1 million, and $0.1 million related to the Company's U.S., Swiss, Chinese and Other operations, respectively. Restructuring charges of $0.9 million were recognized during the three months ended March 31, 2016, of which $0.3 million, $0.4 million, $0.1 million and $0.1 million related to the Company's U.S., Swiss, 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 months ended March 31, 2017 are not necessarily indicative of the results to be expected for the full year ending December 31, 2017.

Changes in local currencies 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.

We also include in the discussion below disclosures of immaterial qualitative factors that are not quantified. Although the impact of such factors is not considered material, we believe these disclosures can be useful in evaluating our operating results.

Results of Operations – Consolidated

The following tables set forth items from our interim consolidated statements of operations and comprehensive income for the three month periods ended March 31, 2017 and 2016 (amounts in thousands).

	Three months ended March 31,			
	2017		2016	
	(unaudited)	%	(unaudited)	%
Net sales	$ 594,567	100.0	$ 539,674	100.0
Cost of sales	251,667	42.3	239,767	44.4
Gross profit	342,900	57.7	299,907	55.6
Research and development	31,392	5.3	28,973	5.4
Selling, general and administrative	184,172	31.0	168,921	31.3
Amortization	10,045	1.7	8,424	1.6
Interest expense	7,741	1.3	6,580	1.2
Restructuring charges	1,432	0.2	880	0.2
Other charges (income), net	(5,730)	(0.9)	(284)	(0.1)
Earnings before taxes	113,848	19.1	86,413	16.0
Provision for taxes	21,382	3.5	20,739	3.8
Net earnings	$ 92,466	15.6	$ 65,674	12.2

Net sales

Net sales were $594.6 million for the three months ended March 31, 2017, compared to $539.7 million for the corresponding period in 2016. This represents an increase in U.S. dollars of 10%. Excluding the effect of currency exchange rate fluctuations, or in local currencies, net sales increased 12% for the three months ended March 31, 2017. The Troemner acquisition contributed approximately 1% to our net sales during 2017. Global market conditions were generally favorable during the first quarter of 2017 and we continue to benefit from the execution of our global sales and marketing programs. However, we remain cautious given the economic uncertainty that remains in certain regions of the world and market conditions are subject to change. We will also face more difficult prior period comparisons during the second half of 2017.

Net sales by geographic destination for the three months ended March 31, 2017, in U.S. dollars increased 14% in the Americas, 9% in Europe and 7% in Asia/Rest of World. In local currencies, our net sales by geographic destination increased 14% in the Americas, 13% in Europe and 9% in Asia/Rest of World. Excluding the Troemner acquisition, our local currency net sales growth in the Americas was 11%. A discussion of sales by operating segment is included below.

As described in Note 17 to our consolidated financial statements for the year ended December 31, 2016, our net sales comprise product sales of precision instruments and related services. Service revenues are primarily derived from repair and other services, including regulatory compliance qualification, calibration, certification, preventative maintenance and spare parts.

Net sales of products increased 11% in U.S. dollars and 13% in local currency for the three months ended March 31, 2017 compared to the prior period. The Troemner acquisition contributed approximately 1% to our net sales of products for the three months ended March 31, 2017. Service revenue (including spare parts) increased 9% in U.S. dollars and 11% in local currency during the three months ended March 31, 2017 compared to the corresponding period in 2016. The Troemner acquisition contributed approximately 1% to our net sales of service for the three months ended March 31, 2017.

Net sales of our laboratory-related products, which represented approximately 50% of our total net sales for the three months ended March 31, 2017, increased 11% in U.S. dollars and 13% in local currencies during the three months ended March 31, 2017. The local currency increase included strong growth in most product categories. The Troemner acquisition contributed approximately 3% to our net sales growth of laboratory-related products and services.

Net sales of our industrial-related products, which represented approximately 42% of our total net sales for the three months ended March 31, 2017, increased 10% in U.S. dollars and 12% in local currencies during the three months ended March 31, 2017. The local currency increase in net sales of our industrial-related products includes strong growth in product inspection and core-industrial.

Net sales in our food retailing markets, which represented approximately 8% of our total net sales for the three months ended March 31, 2017, increased 5% in U.S. dollars and increased 8% in local currencies during the three months ended March 31, 2017, with strong volume growth and related project activity in Europe, offset in part by reduced net sales in the Americas and Asia/Rest of World due to difficult comparisons in the prior period.

Gross profit

Gross profit as a percentage of net sales was 57.7% for the three months ended March 31, 2017 compared to 55.6% for the corresponding period in 2016.

Gross profit as a percentage of net sales for products was 61.6% and 59.9% for the three month periods ended March 31, 2017 and 2016.

Gross profit as a percentage of net sales for services (including spare parts) was 44.7% for the three months ended March 31, 2017 compared to 41.5% for the corresponding period in 2016.

The increase in gross profit as a percentage of net sales for the three months ended March 31, 2017 includes higher sales volume, productivity gains and favorable price realization.

Research and development and selling, general and administrative expenses

Research and development expenses as a percentage of net sales were 5.3% and 5.4% for the three months ended March 31, 2017 and 2016, respectively. Research and development expenses increased 8% in U.S. dollars and 11% in local currencies, during the three months ended March 31, 2017 compared to the corresponding period in 2016 relating to the timing of research and development project activity.

Selling, general and administrative expenses as a percentage of net sales were 31.0% for the three months ended March 31, 2017 compared to 31.3% in the corresponding period during 2016. Selling, general and administrative expenses increased 9% in U.S. dollars and 11% in local currencies, during the three months ended March 31, 2017 compared to the corresponding period in 2016. The local currency increase includes investments in our field sales organization, higher cash incentive expense, and increased employee benefit costs.

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

Amortization expense was $10.0 million for the three months ended March 31, 2017 and $8.4 million for the corresponding period in 2016.

Interest expense was $7.7 million for the three months ended March 31, 2017 and $6.6 million for the corresponding period in 2016.

Other charges (income), net includes a one-time gain of $3.4 million for the three months ended March 31, 2017 relating to the sale of a facility in Switzerland in connection with our initiative to consolidate certain Swiss operations into a new facility. Other charges (income), net also includes (gains) losses from foreign currency transactions and hedging activities, interest income and other items.

The provision for taxes is based upon using our estimated annual effective tax rate of 22% and 24% for the three month periods ended March 31, 2017 and 2016. The reduction in our estimated annual effective tax rate from 24% to 22%, as well as our reported tax rate of 19% during the three months ending March 31, 2017, is primarily related to our adoption of ASU 2016-09 pertaining to excess tax benefits associated with stock option exercises. Our 2017 estimated annual tax rate of 22% includes an estimated benefit of 2% related to the adoption of ASU 2016-09, the effects of which will be treated discretely each quarter. 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 17 to our consolidated financial statements for the year ended December 31, 2016.

U.S. Operations (amounts in thousands)

	Three months ended March 31,		
	2017	2016	%
Total net sales	$ 237,765	$ 208,249	14%
Net sales to external customers	$ 215,353	$ 187,934	15%
Segment profit	$ 38,822	$ 29,265	33%

Total net sales and net sales to external customers increased 14% and 15% for the three months ended March 31, 2017 compared with the corresponding period in 2016. The increase in total net sales and net sales to external customers for the three months ended March 31, 2017 reflects strong growth in most product categories with particularly strong growth in product inspection and core-industrial products. Net sales to external customers in our U.S. Operations also benefited approximately 3% from the Troemner acquisition for the three months ended March 31, 2017.

Segment profit increased $9.6 million for the three months ended March 31, 2017 compared to the corresponding period in 2016 primarily due to increased net sales and benefits from our margin expansion initiatives, offset in part by increased sales and service investments.

Swiss Operations (amounts in thousands)

	Three months ended March 31,		
	2017	2016	%1)
Total net sales	$ 157,300	$ 143,916	9%
Net sales to external customers	$ 29,747	$ 26,989	10%
Segment profit	$ 36,018	$ 35,072	3%

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

Total net sales increased 9% in both U.S. dollars and 10% in local currency for the three months ended March 31, 2017 compared to the corresponding period in 2016. Net sales to external customers increased 10% in U.S. dollars and 11% in local currency during the three months ended March 31, 2017 compared to the corresponding period in 2016. The increase in local currency net sales to external customers for the three month period ended March 31, 2017 includes strong growth in most product categories.

Segment profit increased $0.9 million for the three month period ended March 31, 2017 compared to the corresponding period in 2016. Segment profit during the three months ended March 31, 2017 includes the impact of increased net sales, offset by increased research and development activity and currency hedging gains in the prior year.

Western European Operations (amounts in thousands)

	Three months ended March 31,		
	2017	2016	%1)
Total net sales	$ 190,265	$ 172,102	11%
Net sales to external customers	$ 147,323	$ 137,628	7%
Segment profit	$ 23,226	$ 19,699	18%

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

Total net sales increased 11% in U.S. dollars and 17% in local currencies during the three month period ended March 31, 2017 compared to the corresponding period in 2016. Net sales to external customers increased 7% in U.S. dollars and 12% in local currencies during the three month period ended March 31, 2017 compared to the corresponding period in 2016. Local currency net sales to external customers for the three months ended March 31, 2017 includes strong growth in most product categories, with particularly strong growth in laboratory-related products and food retailing.

Segment profit increased $3.5 million for the three month period ended March 31, 2017 compared to the corresponding period in 2016. The increase in segment profit includes the impact of increased net sales and benefits from our margin expansion initiatives, offset in part by increased sales and service investments.

Chinese Operations (amounts in thousands)

	Three months ended March 31,				
		2017		2016	%1)
Total net sales	$	143,713	$	131,764	9%
Net sales to external customers	$	90,781	$	84,947	7%
Segment profit	$	44,659	$	38,036	17%

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

Total net sales increased 9% in U.S. dollars and 15% in local currency for the three months ended March 31, 2017 compared to the corresponding period in 2016. Net sales to external customers increased 7% in U.S. dollars and 12% in local currency during the three months ended March 31, 2017 compared to the corresponding period in 2016.The increase in local currency net sales to external customers during the three months ended March 31, 2017 reflects strong growth in most product categories. While Chinese market conditions have recently improved, uncertainty remains, particularly in industrial markets.

Segment profit increased $6.6 million for the three month period ended March 31, 2017 compared to the corresponding period in 2016. The increase in segment profit for the three month period ended March 31, 2017 includes increased local currency net sales and benefits from our margin expansion and cost savings initiatives.

Other (amounts in thousands)

	Three months ended March 31,				
		2017		2016	%1)
Total net sales	$	112,960	$	103,530	9%
Net sales to external customers	$	111,363	$	102,176	9%
Segment profit	$	13,118	$	11,094	18%

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

Total net sales and net sales to external customers increased 9% in both U.S. dollars in local currencies during the three month period ended March 31, 2017 compared to the corresponding period in 2016. The local currency increase in net sales to external customers includes particularly strong volume growth and increased price realization in most countries.

Segment profit increased $2.0 million for the three months ended March 31, 2017 compared to the corresponding period in 2016. The increase in segment profit is primarily due to increased net sales and benefits from our margin expansion initiatives, offset in part by increased sales and service investments.

Liquidity and Capital Resources

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

Cash provided by operating activities totaled $67.6 million during the three months ended March 31, 2017, compared to $41.5 million in the corresponding period in 2016. The increase in 2017 primarily relates to higher net income of $26.8 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 $21.0 million for the three months ended March 31, 2017 compared to $14.3 million in the corresponding period in 2016. The increase is primarily related to investments in manufacturing facilities. Cash flows from investing activities also includes proceeds of $9.9 million relating to the sale of a facility in Switzerland in connection with our initiative to consolidate certain Swiss operations into a new facility. We expect to make net investments in new or expanded manufacturing facilities of $65 million to $75 million over the next two years.

We plan to repatriate earnings from China, Switzerland, Germany, Luxembourg, 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 any applicable withholding taxes. All other undistributed earnings are considered to be permanently reinvested. As of March 31, 2017, we have an immaterial amount of cash and cash equivalents outside the United States where undistributed earnings are considered permanently reinvested. Accordingly, we believe the tax impact associated with repatriating our undistributed foreign earnings will not have a material effect on our liquidity.

Senior Notes and Credit Facility Agreement

Our debt consisted of the following at March 31, 2017:

	March 31, 2017		
	U.S. Dollar	Other Principal Trading Currencies	Total
$50 million Senior Notes, interest 3.67%, due December 17, 2022	$ 50,000	$ —	$ 50,000
$50 million Senior Notes, interest 4.10%, due September 19, 2023	50,000	—	50,000
$125 million Senior Notes, interest 3.84%, due September 19, 2024	125,000	—	125,000
$125 million Senior Notes, interest 4.24%, due June 25, 2025	125,000	—	125,000
Euro 125 million Senior Notes, interest 1.47%, due June 17, 2030	—	134,842	134,842
Debt issuance costs, net	(1,213)	(378)	(1,591)
Total Senior Notes	348,787	134,464	483,251
$800 million Credit Agreement, interest at LIBOR plus 87.5 basis points	332,305	128,655	460,960
Other local arrangements	430	19,046	19,476
Total debt	681,522	282,165	963,687
Less: current portion	(430)	(19,046)	(19,476)
Total long-term debt	$ 681,092	$ 263,119	$ 944,211

As of March 31, 2017, approximately $333.6 million was available under our Credit Agreement. Changes in exchange rates between the currencies in which we generate cash flows and the currencies in which our borrowings are denominated affect our liquidity. In addition, because we borrow in a variety of currencies, our debt balances fluctuate due to changes in exchange rates.

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

We continue to explore potential acquisitions. In connection with any acquisition, we may incur additional indebtedness. In the first quarter of 2016, we consummated acquisitions totaling $4.3 million, which includes additional cash consideration of $0.5 million. Goodwill recorded in connection with the acquisitions totaled $2.0 million. We also recorded $1.2 million of identified intangibles primarily pertaining to customer relationships in connection with the acquisitions, which will be amortized on a straight-line basis over 10 years.

Share Repurchase Program

The Company has a share repurchase program of which there was $858.4 million of common shares remaining to be repurchased under the program as of March 31, 2017. The share repurchases are expected to be funded from cash generated from operating activities, borrowings, and existing cash balances. Repurchases will be made through open market transactions, and the amount and timing of repurchases will depend on business and market conditions, stock price, trading restrictions, the level of acquisition activity, and other factors.

We have purchased 26.3 million shares since the inception of the program through March 31, 2017. During both the three months ended March 31, 2017 and 2016, we spent $125.0 million and on the repurchase of 275,088 shares and 390,337 shares at an average price per share of $454.37 and $320.22, respectively. We reissued 76,849 shares and 59,321 shares held in treasury for the exercise of stock options and restricted stock units during the three months ended March 31, 2017 and 2016, 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 estimate a 1% strengthening of the Swiss franc against the euro would reduce our earnings before tax by approximately $1.5 million to $1.7 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 $0.2 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 $0.4 million to $0.6 million annually.

In addition to the effects of exchange rate movements on operating profits, our debt levels can fluctuate due to changes in exchange rates, particularly between the U.S. dollar and the Swiss franc. Based on our outstanding debt at March 31, 2017, 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 $31.4 million in the reported U.S. dollar value of our debt.

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 2016 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of March 31, 2017, 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, 2016.

Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer, Principal Financial Officer and 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 March 31, 2017 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 three months ended March 31, 2017 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, 2016.

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

Issuer Purchases of Equity Securities

	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Program	(d) Approximate Dollar Value (in thousands of Shares that may yet be Purchased under the Program)
January 1 to January 31, 2017	85,277	$ 422.34	85,277	$ 947,402
February 1 to February 28, 2017	88,456	$ 455.04	88,456	$ 907,149
March 1 to March 31, 2017	101,355	$ 480.73	101,355	$ 858,422
Total	275,088	$ 454.37	275,088	$ 858,422

The Company has a share repurchase program of which there was $858.4 million common shares remaining to be repurchased under the program as of March 31, 2017. We have purchased 26.3 million shares since the inception of the program through March 31, 2017.

During both the three months ended March 31, 2017 and 2016, we spent $125.0 million on the repurchase of 275,088 and 390,337 shares at an average price per share of $454.37 and $320.22, respectively. We reissued 76,849 shares and 59,321 shares held in treasury for the exercise of stock options and restricted stock units for the three months ended March 31, 2017 and 2016, 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.

		Mettler-Toledo International Inc.	
Date:	May 5, 2017	By:	/s/ Shawn P. Vadala
			Shawn P. Vadala Chief Financial Officer and Principal Accounting Officer

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

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Olivier A. Filliol, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Mettler-Toledo International Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: May 5, 2017

/s/ Olivier A. Filliol

Olivier A. Filliol

Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, William P. Donnelly, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Mettler-Toledo International Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2017

/s/ William P. Donnelly

William P. Donnelly

Executive Vice President (Principal Financial Officer)

Exhibit 31.3

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Shawn P. Vadala, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Mettler-Toledo International Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

(5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: May 5, 2017

/s/ Shawn P. Vadala

Shawn P. Vadala

Chief Financial Officer (Principal Accounting Officer)

Exhibit 32

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Mettler-Toledo International Inc. (the "Company") does hereby certify, to such officer's knowledge, that:

This quarterly report on Form 10-Q for the period ending March 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 5, 2017

/s/ Olivier A. Filliol

Olivier A. Filliol
Chief Executive Officer

/s/ William P. Donnelly

William P. Donnelly
Executive Vice President (Principal Financial Officer)

/s/ Shawn P. Vadala

Shawn P. Vadala
Chief Financial Officer (Principal Accounting Officer)