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METTLER TOLEDO INTERNATIONAL INC/
Form 8-K
October 15, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15 (d) of
the Securities Exchange Act of 1934

Date of Report: October 15, 2001

Mettler-Toledo International Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-13595	13-3668641
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

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

(Address of principal executive offices)

Registrant's telephone number, including area code: 41-1-944-22-11

ITEM 5. OTHER MATTERS

On October 14, 2001, Mettler-Toledo International Inc., a Delaware corporation (the "Registrant"), announced that it had entered into a definitive agreement with Rainin Instrument Company, Inc., a Massachusetts corporation, Mr. Kenneth Rainin and Mettler-Toledo, Inc., a wholly owned subsidiary of the Registrant, whereby Mettler-Toledo, Inc. would acquire all of the issued and outstanding membership units of Rainin Instrument Company, LLC, a Delaware limited liability company for a cash purchase price of \$147,892,038 plus 3,388,132 shares of the Registrant's common stock, plus an additional contingent payment, if any, of up to \$60,000,000. Up to half of any additional contingent payment may be paid in shares of

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the Registrant's common stock and the remainder will be paid in cash. The acquisition is subject to certain customary closing conditions including receipt of antitrust and other regulatory approvals.

The press release issued by the Registrant on October 14, 2001 announcing the proposed acquisition is filed as Exhibit 99.1 hereto.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

A. FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

At the time this Report on Form 8-K was filed with the Securities and Exchange Commission, it was impracticable to provide the required financial statements of Rainin Instrument Company, LLC. The required historical financial statements will be filed by amendment as soon as practicable in compliance with Item 7(a)(4) of Form 8-K.

B. PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Combined Financial Statements required by this Item are included on pages 3 through 8 of this Form 8-K.

METTLER-TOLEDO INTERNATIONAL INC. UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The Unaudited Pro Forma Combined Financial Statements have been prepared to give effect to the proposed acquisition of Rainin Instrument Company, LLC ("Rainin") by Mettler-Toledo International Inc. ("Mettler-Toledo" or the "Company") as of June 30, 2001 for the balance sheet, and for the beginning of the periods ended June 30, 2001 and December 31, 2000 for the respective statements of operations. The Rainin historical financial information was derived from unaudited financial information provided by the seller.

The pro forma data reflects adjustments directly related to the proposed acquisition, and does not include adjustments that may arise as a consequence of the acquisition. Accordingly, the Unaudited Pro Forma Combined Financial Statements do not purport to be indicative of what the Company's combined financial position or combined results of operations would actually have been had the proposed acquisition been completed on such date or the beginning of the periods indicated or to project the Company's combined results of operations for any future period.

The proposed acquisition has been accounted for under the purchase method of accounting. Under the purchase method of accounting, tangible and intangible assets acquired and liabilities assumed are recorded at their estimated fair values. The Company has accounted for these estimated fair values and related useful lives based primarily on a preliminary valuation by an independent third party which is subject to final valuation adjustments. The excess of the total acquisition purchase price over the net assets acquired is classified as goodwill and is not amortized in accordance with current generally accepted accounting principles.

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METTLER-TOLEDO INTERNATIONAL INC.
 UNAUDITED PRO FORMA COMBINED BALANCE SHEET
 AS OF JUNE 30, 2001
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL METTLER-TOLEDO	HISTORICAL RAININ	ASSETS NOT ACQUIRED FROM RAININ (
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 23,212	\$ 4,482	\$
Trade accounts receivable, less allowances	210,031	9,724	
Inventories, net	137,412	12,346	
Other current assets and prepaid expenses	40,636	279	
	-----	-----	-----
Total current assets	411,291	26,831	
Property, plant and equipment, net	182,988	8,025	(2,8
Excess of cost over net assets acquired, net	221,023	944	
Identified intangible assets			
Other assets	39,982	8,795	(8,2
	-----	-----	-----
Total assets	\$ 855,284	\$ 44,595	\$ (11,0
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade accounts payable	\$ 67,898	\$ 1,023	\$
Accrued and other liabilities	111,635	3,355	
Accrued compensation and related items	38,788	-	
Taxes payable	65,618	203	
Short-term borrowings and current maturities of long-term debt	49,930	-	
	-----	-----	-----
Total current liabilities	333,869	4,581	
Long term debt	200,493	-	
Non-current deferred taxes	22,939	-	
Other non-current liabilities	96,366	-	
	-----	-----	-----
Total liabilities	653,667	4,581	
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	400	-	
Additional paid-in capital	303,494	-	
Accumulated deficit	(47,127)	-	
Accumulated other comprehensive loss	(55,150)	-	

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Historical Rainin equity		40,014	(11,0
	-----	-----	-----
Total shareholders' equity	201,617	40,014	(11,0
	-----	-----	-----
Commitments and contingencies			
Total liabilities and shareholders' equity	\$ 855,284	\$ 44,595	\$ (11,0
	=====	=====	=====

The accompanying notes are an integral part of these pro forma combined financial statements.

METTLER-TOLEDO INTERNATIONAL INC.
 UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
 SIX MONTHS ENDED JUNE 30, 2001
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL METTLER-TOLEDO	HISTORICAL RAININ	PRO FORMA ADJUSTMENTS
Net sales	\$ 544,677	\$ 38,517	\$ (1,248) (
Cost of sales	299,518	14,071	395 (
			(517) (
			650 (
	-----	-----	-----
Gross profit	245,159	24,446	(986)
Research and development	30,310	1,621	-
Selling, general and administrative	144,124	10,347	(125) (
			(189) (
			200 (
			250 (
Amortization	6,237	-	1,537 (
Interest expense	9,346	-	4,485 (
Other charges, net	15,297	15	(200) (
	-----	-----	-----
Earnings before taxes and minority interest	39,845	12,463	(6,944)
Provision for taxes	18,665	-	2,208 (
	-----	-----	-----
Net earnings	\$ 21,180	\$ 12,463	\$ (9,152)
	=====	=====	=====
Basic earnings per common share:			
Net earnings	\$ 0.53		
Weighted average number of common shares	39,914,687		3,388,132 (
Diluted earnings per common share:			
Net earnings	\$ 0.50		
Weighted average number of common shares	42,505,268		3,388,132 (

The accompanying notes are an integral part of these pro forma combined financial statements.

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METTLER-TOLEDO INTERNATIONAL INC.
 UNAUDITED PRO FORMA COMBINED STATEMENTS OF OPERATIONS
 YEAR ENDED DECEMBER 31, 2000
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	HISTORICAL METTLER-TOLEDO	HISTORICAL RAININ	PRO FORMA ADJUSTMENTS
Net sales	\$1,095,547	\$ 66,033	\$ (2,417) (f)
			(34) (e)
Cost of sales	600,185	25,051	(1,020) (f)
			1,300 (g)
Gross profit	495,362	40,982	(2,731)
Research and development	56,334	-	2,769 (i)
Selling, general and administrative	296,187	20,346	(2,769) (i)
			(242) (f)
			37 (e)
			1,200 (g)
			300 (i)
Amortization	11,564	-	3,075 (h)
Interest expense	20,034	-	8,970 (c)
Other charges, net	2,638	1,764	(300) (i)
Earnings before taxes and minority interest	108,605	18,872	(15,771)
Provision for taxes	38,510	839	401 (j)
Minority interest	(24)	-	-
Net earnings	\$ 70,119	\$ 18,033	\$ (16,172)
Basic earnings per common share:			
Net earnings	\$ 1.80		
Weighted average number of common shares	38,897,879		3,388,132 (c)
Diluted earnings per common share:			
Net earnings	\$ 1.66		
Weighted average number of common shares	42,141,548		3,388,132 (c)

The accompanying notes are an integral part of these pro forma combined financial statements.

METTLER-TOLEDO INTERNATIONAL INC.
 NOTES TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS
 (In thousands, except per share data)

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- (a) Represents the elimination of certain historical non-current assets that have not been acquired by the Company.
- (b) Represents the preliminary allocation of the excess of the purchase price over the estimated assets and liabilities acquired. The actual allocation of the purchase price may differ from that reflected in the Unaudited Pro Forma Combined Financial Statements after completion of valuations performed as of the date of the acquisition. The preliminary allocation is as follows:

TOTAL PURCHASE PRICE:	
Shares of Mettler-Toledo common stock to be issued	3,388,132
Price per share*	\$ 42.60

Value of Mettler-Toledo common stock to be issued	\$ 144,334
Cash paid to seller	147,892
Estimated Mettler-Toledo transaction costs	2,000

Total purchase price	294,226
APPLICATION OF CONSIDERATION TO ACQUIRED ASSETS:	
Historical Rainin net assets acquired, adjusted for the elimination of existing goodwill of \$944	(28,003)
Fair value adjustments relating to:	
Accrual for trade-in liability	8,500
Customer relationships	(67,383)
Technology - patents	(17,352)
Intellectual property license	(19,905)
Tradename	(22,434)

Preliminary goodwill	\$147,649
	=====

* Based on the average 5 days closing price before the announcement of the acquisition.

- (c) Adjustments pertaining to financing the total acquisition purchase price of \$294.2 million include additional borrowings of \$149.9 million and related interest expense under the Company's existing credit facilities at an assumed interest rate of 6% per annum, and the issuance of approximately 3.4 million shares of Mettler-Toledo common stock at a fair market value of \$144.3 million.

Pursuant to the acquisition agreement, the Company may be required to make additional earn-out payments of up to \$60.0 million. Up to half of any additional contingent payment will be paid in shares of the Company's common stock and the remainder will be paid in cash.

METTLER-TOLEDO INTERNATIONAL INC.
NOTES TO THE PRO FORMA COMBINED FINANCIAL STATEMENTS
(CONTINUED)
(In thousands, except per share data)

- (d) Represents the elimination of Rainin's historical equity and net

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goodwill of \$944.

- (e) Reflects an adjustment to account for Rainin's trade-in program on an accrual basis to conform with the Company's accounting principles.
- (f) Represents an adjustment to eliminate sales, cost of sales and selling, general and administrative expense associated with pipette sales that are purchased from a direct competitor of Rainin that will be terminated as a result of the transaction.
- (g) Represents the incremental rent and other related costs for certain of Rainin's facilities on the post-transaction negotiated "arms length" basis.
- (h) Reflects an adjustment to amortize identifiable intangible assets on a straight-line basis over periods ranging from 11-45 years.
- (i) Reflects a reclassification to conform with the Company's financial statement presentation.
- (j) Reflects the tax effect on Rainin's historical financial results and pro forma adjustments at the combined U.S. federal and state statutory tax rate of 40%, as if the transaction had occurred at the beginning of each period presented. Since Rainin was organized as a Subchapter S Corporation of the Internal Revenue Code, the Company's historical statements make no provisions for federal income taxes and for certain state income taxes where a Subchapter S election has been made.

C. EXHIBITS

A copy of the press release announcing the acquisition is attached hereto as Exhibit 99.1 and incorporated by reference.

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 hereunto duly authorized.

METTLER-TOLEDO INTERNATIONAL INC.
(Registrant)

Dated: October 15, 2001

By: /S/ WILLIAM P. DONNELLY

William P. Donnelly
Vice President and
Chief Financial Officer