EXPEDITORS INTERNATIONAL OF WASHINGTON INC
Form 10-Q
May 08, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2009

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: 0-13468

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.

(Exact name of registrant as specified in its charter)

Washington	**91-1069248**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification Number)**
1015 Third Avenue, 12 th Floor, Seattle, Washington	**98104**
(Address of principal executive offices)	**(Zip Code)**

(206) 674-3400

(Registrant s telephone number, including area code)

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 check mark 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 ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer 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 ¨

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

At May 5, 2009, the number of shares outstanding of the issuer s Common Stock was 212,345,480.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.

AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands, except share data)

(Unaudited)

	March 31, 2009	December 31, 2008
Assets		
Current Assets:		
Cash and cash equivalents	$ 883,679	$ 741,028
Short-term investments	598	658
Accounts receivable, less allowance for doubtful accounts of $16,897 at March 31, 2009 and $14,414 at December 31, 2008	613,283	788,176
Deferred Federal and state income taxes	8,924	7,986
Other	24,788	35,511
Total current assets	1,531,272	1,573,359
Property and equipment, less accumulated depreciation and amortization of $232,922 at March 31, 2009 and $228,025 at December 31, 2008	488,804	493,129
Goodwill, net	7,927	7,927
Other intangibles, net	5,904	6,503
Other assets, net	20,915	19,921
	$ 2,054,822	$ 2,100,839
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	407,021	491,823
Accrued expenses, primarily salaries and related costs	148,145	150,487
Federal, state and foreign income taxes	29,465	28,039
Total current liabilities	584,631	670,349
Deferred Federal and state income taxes	47,657	46,574
Shareholders Equity:		
Preferred stock, none issued.		
Common stock, par value $.01 per share.		
Issued and outstanding 212,134,033 shares at March 31, 2009, and 211,973,377 shares at December 31, 2008	2,121	2,120
Additional paid-in capital	6,154	7,150
Retained earnings	1,431,616	1,372,356
Accumulated other comprehensive loss	(26,704)	(15,208)
Total shareholders equity	1,413,187	1,366,418

Noncontrolling interest	9,347	17,498
Total equity	1,422,534	1,383,916
Commitments and contingencies		
	$ 2,054,822	$ 2,100,839

See accompanying notes to condensed consolidated financial statements.

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.

AND SUBSIDIARIES

Condensed Consolidated Statements of Earnings

(In thousands, except share data)

(Unaudited)

	Three months ended March 31, 2009	Three months ended March 31, 2008
Revenues:		
Airfreight services	$ 374,456	$ 599,763
Ocean freight and ocean services	318,634	446,792
Customs brokerage and other services	219,595	260,766
Total revenues	912,685	1,307,321
Operating Expenses:		
Airfreight consolidation	250,369	461,099
Ocean freight consolidation	238,226	360,440
Customs brokerage and other services	87,575	111,454
Salaries and related costs	187,209	205,815
Rent and occupancy costs	18,724	19,435
Depreciation and amortization	9,958	9,772
Selling and promotion	6,222	9,504
Other	22,928	24,238
Total operating expenses	821,211	1,201,757
Operating income	91,474	105,564
Other Income (Expense):		
Interest income	3,606	4,964
Interest expense	(15)	(71)
Other, net	4,553	1,274
Other income, net	8,144	6,167
Earnings before income taxes	99,618	111,731
Income tax expense	40,249	45,210
Net earnings	59,369	66,521
Less net earnings attributable to the noncontrolling interest	(109)	(49)
Net earnings attributable to shareholders	$ 59,260	$ 66,472

Diluted earnings attributable to shareholders per share	$ .27	$ .30
Basic earnings attributable to shareholders per share	$ .28	$ .31
Weighted average diluted shares outstanding	216,319,959	220,437,979
Weighted average basic shares outstanding	212,100,504	213,062,231

See accompanying notes to condensed consolidated financial statements.

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.

AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Three months ended March 31, 2009	Three months ended March 31, 2008
Operating Activities:		
Net earnings attributable to shareholders	$ 59,260	$ 66,472
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Provision for losses on accounts receivable	2,644	(177)
Deferred income tax expense	6,451	8,826
Excess tax benefits from stock plans	(3,062)	(1,506)
Stock compensation expense	6,900	11,280
Depreciation and amortization	9,958	9,772
Gain on sale of assets	(4)	(575)
Net earnings attributable to noncontrolling interest	109	49
Other	362	417
Changes in operating assets and liabilities:		
Decrease in accounts receivable	153,964	59,754
(Increase) decrease in other current assets	(15)	55
(Decrease) increase in accounts payable and accrued expenses	(80,170)	15,078
Increase in income taxes payable, net	15,885	9,260
Net cash provided by operating activities	172,282	178,705
Investing Activities:		
Decrease in short-term investments	44	47
Purchase of property and equipment	(8,656)	(10,210)
Proceeds from sale of property and equipment	44	42
Other	(1,482)	363
Net cash used in investing activities	(10,050)	(9,758)
Financing Activities:		
Borrowings of short-term debt, net		810
Proceeds from issuance of common stock	8,536	4,614
Repurchases of common stock	(19,212)	(18,618)
Excess tax benefits from stock plans	3,062	1,506
Distributions to noncontrolling interests		(107)
Purchase of noncontrolling interest	(2,122)	
Net cash used in financing activities	(9,736)	(11,795)
Effect of exchange rate changes on cash	(9,845)	9,215

Increase in cash and cash equivalents	142,651	166,367
Cash and cash equivalents at beginning of period	741,028	574,599
Cash and cash equivalents at end of period	$ 883,679	$ 740,966
Interest and Taxes Paid:		
Interest	$ 15	$ 71
Income taxes	15,364	24,272

See accompanying notes to condensed consolidated financial statements.

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.

AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(in thousands, except share data)

(Unaudited)

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

Expeditors International of Washington, Inc. (the Company) is a global logistics company operating through a worldwide network of offices, international service centers and exclusive or non-exclusive agents. The Company s customers include retailing and wholesaling, electronics, and manufacturing companies around the world. The Company grants credit upon approval to customers.

The condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. As a result, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. The Company believes that the disclosures made are adequate to make the information presented not misleading. The condensed consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company s Form 10-K as filed with the Securities and Exchange Commission on February 27, 2009.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Certain 2008 amounts have been reclassified to conform with the 2009 presentation.

B. Accounts Receivable

The Company maintains an allowance for doubtful accounts, which is reviewed at least monthly for estimated losses resulting from the inability of its customers to make required payments for services. Additional allowances may be necessary in the future if the ability of its customers to pay deteriorates. The Company has recorded accounts receivable allowances in the amounts of $16,897 as of March 31, 2009 and $14,414 as of December 31, 2008. Additions and write-offs have not been significant.

C. Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting shareholders equity that, under generally accepted accounting principles in the United States, are excluded from net income. For the Company, these consist of foreign currency translation adjustments, net of related income tax effects, and comprehensive income attributable to the noncontrolling interests.

The components of total comprehensive income for interim periods are presented in Note 3.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

E. Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51 (SFAS 160). SFAS 160 changes the accounting and reporting for minority interests, which is recharacterized as noncontrolling interests and classified as a component of equity. SFAS 160 modifies the accounting for changes in a parent s ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Company adopted the provisions of SFAS 160 beginning in the first quarter of 2009. Accordingly, minority interest of $17,498 as of December 31, 2008 has been reclassified to the noncontrolling interest section of equity. Also, the presentation of the consolidated balance sheets, statement of earnings, cash-flows and comprehensive income have been modified to meet the reporting requirements of SFAS 160. The adoption of this statement had no impact on net earnings attributable to shareholders.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations (SFAS 141R). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Company adopted the provisions of SFAS 141R beginning in the first quarter of 2009. The adoption had no material impact on the Company s consolidated financial condition or results of operations. The impact will depend upon the acquisitions, if any, the Company consummates after the effective date.

Note 2. Income Taxes

Based on management s review of the Company s tax positions, the Company had no significant unrecognized tax benefits as of March 31, 2009 and December 31, 2008.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state, local and foreign jurisdictions. The Company is no longer subject to U.S. federal income tax examinations by tax authorities for years prior to 2005. In October 2007, the Internal Revenue Service initiated an audit of the Company s federal income tax return for the year 2005. With respect to state and local jurisdictions and countries outside of the United States, with limited exceptions, the Company and its subsidiaries are no longer subject to income tax audits for years prior to 2000. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world. Although the outcome of tax audits is always uncertain, the Company believes that adequate amounts of tax, interest and penalties have been provided for any adjustments that may result from these open tax years.

The Company recognizes interest expense related to unrecognized tax benefits or underpayment of income taxes in interest expense and recognizes penalties in operating expenses. Any interest and penalties expensed in relation to the underpayment of income taxes were insignificant for the three months ended March 31, 2009 and 2008.

Note 3. Equity

A. Stock Option Plans and Stock Purchase Plan

The Company provides compensation benefits by granting stock options and employee stock purchase rights to its employees and restricted shares to its directors. The Company recognizes compensation expense based on the estimated fair value of options awarded under its stock option and employee stock purchase rights plans. The stock compensation expense, adjusted for expected forfeitures, is recognized on a straight-line basis over the vesting period. The forfeiture assumption used to calculate compensation expense is primarily based on historical pre-vesting employee forfeiture patterns. The Company s annual grant of option awards generally takes place during the second quarter of each fiscal year and no grants were made in the quarters ended March 31, 2009 and 2008. The grant of employee stock purchase rights and the issuance of shares under the employee stock purchase plan are generally made in the third quarter of each fiscal year and none were issued in the quarters ended March 31, 2009 and 2008.

Total stock compensation expense and the total related tax benefit recognized in the three months ended March 31, 2009 and 2008 are as follows:

	For the three months ended March 31,		
		2009	2008
Stock compensation expense	$	6,900	11,280
Recognized tax benefit		77	363

B. Basic and Diluted Earnings per Share

The following table reconciles the numerator and the denominator of the basic and diluted per share computations for earnings attributable to shareholders per share for the three months ended March 31, 2009 and 2008:

	Three months ended March 31,		
per share amounts)	Net Earnings Attributable to Shareholders	Weighted Average Shares	Earnings Per Share

ers $ 59,260 212,100,504

Tax Fees The 2008 and 2007 tax fees were primarily for tax compliance-related services.

Other Fees No significant other services were performed by PwC for the company in 2008 or 2007.

The Audit Committee has determined that PwC s provision of the services included in the categories Tax Fees
maintaining PwC s independence. All non-audit services were approved in advance by the Audit Committee pursu

Audit Committee Approval of Non-Audit Services

The Audit Committee approves all non-audit services provided by PwC in accordance with the following framewo

If the project is in an approved category and less than $50,000 in fees, it is considered pre-approved by th
in excess of this amount and any potential projects not included in the pre-approval framework are presen
their advance approval.

On a quarterly basis, PwC reports all non-audit services outside of the pre-approval framework to the Aud
non-audit services in the upcoming quarter.

All non-audit fees are reviewed at least annually by the Audit Committee.

The independent registered public accounting firm ensures that all audit and non-audit services provided to the com
Audit Committee. Each year, the company s management and the independent registered public accounting firm c
every non-audit service being proposed is permissible.

Independent Registered Public Accounting Firm for 2009

The Audit Committee has appointed PwC as the company s independent registered public accounting firm to audi
consolidated financial statements for the fiscal year ending December 31, 2009 and to perform such other services

Respectfully submitted by the members of the
Audit Committee:

Francis A. Contino, *Chairman*
Wah-Hui Chu (to November 2008)
Hans Ulrich Maerki (from February 2009)
Thomas P. Salice

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COMPENSATION COMMITTEE REPORT

The Compensation Committee assists the board in reviewing and monitoring the compensatio
The Compensation Committee operates pursuant to a written charter, a copy of which can be f
at www.mt.com under About Us / Investor Relations / Corporate Governance .

The Compensation Committee is responsible for establishing compensation arrangements that
attract and motivate highly qualified employees. The Compensation Committee reviews the co
budget, and sets the annual compensation of the company s executive officers, including the C
evaluates and sets the compensation of the directors. In carrying out its duties, the Compensat
and recommendations from both the Head of Human Resources and the Chief Executive Offic
form of executive and director compensation.

The Compensation Committee also makes periodic use of compensation consultants, who are
company at the direction of the Committee. In 2007, the Compensation Committee engaged th
to assist it in establishing the compensation levels of the new Chief Executive Officer and Exe
January 1, 2008. In 2008, the Compensation Committee engaged the firms Pearl Meyer & Par
AG to assist it in reviewing the compensation levels of the company s senior executives, inclu
Officer.

The Compensation Committee has reviewed and discussed with management the Compensatio
contained in this Proxy Statement. On the basis of such review and discussions, the Compensa
to the Board of Directors, and the board approved, that the Compensation Discussion and Ana
Statement.

Respectfully submitted by the members of the
Compensation Committee:

Thomas P. Salice, *Chairman*
John T. Dickson
Philip H. Geier
Michael A. Kelly (from February 2009)
Hans Ulrich Maerki

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee assists the board in identifying and re nominated for election to the Board of Directors by shareholders. The Nominating and Corpor operates pursuant to a written charter, a copy of which can be found on the company s websit Us / Investor Relations / Corporate Governance . The committee is responsible for advising t membership of committees of the board as well as developing corporate governance guideline the company. We describe below the process established by the committee to nominate direct well as some of the recent corporate governance activities undertaken by the committee.

Director Nomination Process

When there is an actual or anticipated board vacancy, candidates for the Board of Directors m member of the Nominating and Corporate Governance Committee, (ii) other board members, that purpose by the committee, and/or (iv) the company s shareholders. The Nominating and Committee will consider candidates recommended by shareholders and evaluate them in the s candidates. Shareholders interested in recommending a person to be a director of the company recommendation in writing. The recommendation must be forwarded to the Secretary of the c International Inc., Im Langacher, 8606 Greifensee, Switzerland. Shareholder recommendation and be sent within the time-frames specified in the company s by-laws, a copy of which can b Additional details regarding minimum qualifications for director nominees can be found in the guidelines on the company s website at www.mt.com under About Us / Investor Relations /

The Nominating and Corporate Governance Committee follows the following process in nomi on the company s Board of Directors.

(1) The committee begins by working with the Presiding Director and Chairman of the qualifications, qualities and skills that are desired for potential candidates to fill the committee makes this determination based upon the current composition of the boar company and the Minimum Qualifications for Directors included in the corporate g

(2) The Nominating and Corporate Governance Committee, Presiding Director and Cha compile a list of all candidates recommended to fill the vacancy on the board. Cand qualifications, qualities and skills will be required to complete a questionnaire that s the candidates background, experience, independence and other information.

(3) All members of the Nominating and Corporate Governance Committee, the Presidi Board and, in appropriate cases, other board members will interview those candidat questionnaire.

(4) Following these interviews, the full Nominating and Corporate Governance Commi of each candidate to ensure that each candidate meets the specific qualities and skill committee will forward to the Board of Directors for consideration a list of candida

With regard to the current board nominees, the Nominating and Corporate Governance Comm qualifications and contributions of each of the board nominees and has recommended to the b directors be nominated for re-election.

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NOMINATING AND CORPORATE GOVERNANCE COMMITTE

Corporate Governance

The Nominating and Corporate Governance Committee focused in 2008 on the composition o with a particular emphasis on board skills and succession generally. The Committee oversaw t leading to the appointment of Mr. Kelly in July 2008. The Committee continues to review dire membership.

Respectfully submitted by the members of the
Nominating and Corporate Governance Committee:

George M. Milne, *Chairman*
John T. Dickson
Wah-Hui Chu (from February 2009)
Hans Ulrich Maerki

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COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The Compensation Committee oversees compensation of the company s executive officers. I
Compensation Committee receives information and recommendations from the Head of Huma
Executive Officer, and may consult with outside compensation consultants as it deems approp
Committee has historically used the firm Pearl Meyer & Partners to provide market surveys o
technology firms in comparable industries (including scientific instrument firms), which are c
compensation levels. In 2007, the Compensation Committee used this firm to assist it in estab
of the new Chief Executive Officer and Executive Chairman effective January 1, 2008. In 200
Committee engaged the firms Pearl Meyer & Partners and Hostettler & Partner AG to assist it
levels of the company s senior executives, including the Chief Executive Officer.

The objectives of the company s executive compensation programs are as follows:

- We operate globally and compete to attract and keep the best talent. Total compensatio global personnel market in which we operate.

- Compensation should be transparent and performance should be objectively measured

- We believe in a strong link between pay and performance. We set challenging targets f is designed to reward overachievement of targets. At the same time, when performanc compensation tends to be below market.

- One of our primary goals is to create shareholder value, and we seek to tie a significan compensation to this objective. We do this in part by linking long-term compensation t performance.

- We also encourage executives to be company shareholders.

The company s compensation program consists of three main elements: base salary, an annua
compensation (stock options). We do not believe in providing special benefits to executives, a
significant perquisites. In sum, our goal is to ensure that the three main elements of compensa
and fair, and that executives are motivated to further the interests of shareholders.

Each year the Compensation Committee separately reviews each of the three elements, as wel
into account the company s growth and performance, individual executive performance, and
which we compete for talent. In evaluating the competitiveness of executive compensation, th
periodically conducts both broad based surveys and surveys of the salaries of executives in th
industries, including companies in SIC Code 3826 (Laboratory Analytical Instruments). In 20
provided US-based survey data using confidential surveys relating to CEO and senior executi
companies in comparable industries, including scientific instruments firms, and of similar size
also provided peer company executive compensation at Ametek, Coherent, Dionex, Millipore
Varian and Waters. Hostettler & Partner AG provided European-based survey data from a dat
a wider industry group, with an emphasis on companies in the precision instruments sector of

Management Succession Plan

In November 2007, the company announced that the Board of Directors had approved a mana which the board elected Mr. Spoerry to the position of Executive Chairman of the Board and M President and Chief Executive Officer, in each case effective on January 1, 2008. In Decembe that, effective January 1, 2009, Mr. Filliol would join the Board of Directors and Mr. Spoerry as Chairman of the Board. The key elements of their 2008

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COMPENSATION DISCUSSION AND ANALYSIS

compensation are described below under Employment Agreements . The Compensation Co
compensation for 2009 and future years taking into account his ongoing duties as Chairman.

Base Salary

The company s goal is to pay average base salaries that are approximately at or somewhat be
based and peer company surveys, we believe base salaries for executive officers are generally
companies. Although a certain base salary is necessary and appropriate, we believe the majori
should be paid in ways that link pay with performance. We accomplish this through the annua
incentives.

Annual Bonus

We link pay with performance through our bonus plan, called POBS Plus (Performance Orien
purpose of the bonus plan is to provide an incentive to key employees of the company to dedic
success of the company as measured based on objective financial criteria. The bonus plan is a
Compensation Committee. At the end of each year, the Compensation Committee establishes
which each participant s incentive is based for the coming year. The financial targets used rel
and budget, which are approved by the full Board of Directors each year. The targets are set ta
environment, the health of the company s end-user markets, and the challenges and opportun
businesses. See *2008 Performance Targets and Actual Target Achievement* below.

A bonus is payable following achievement of at least 90% of the target level. Below 90% targ
paid. At 100% target achievement, the bonus is 50% of base salary for Messrs. Spoerry and Fi
for Messrs. Donnelly, Caratsch and Widmer. The maximum bonus possible is earned at 130%
169.38% of base salary for Messrs. Spoerry and Filliol, 160.50% of base salary for Messrs. Ca
157.50% of base salary for Mr. Donnelly.

In addition, between 12 and 20 percent of the bonus for each participant is based on individua
relating to the company s annual business objectives. The Compensation Committee directly
Officer s and Chairman s performance on their individual targets, and reviews the CEO s re
target performance of the other executive officers. After the conclusion of each year, the Com
the audited results of the company s performance against each participant s performance targ
payment, if any, earned by each participant.

The plan provides that targets for 100% achievement should be challenging and ambitious, bu
such that it is possible to achieve and exceed them. The impact of over- or under-achieving ta
be significant. The company and Board of Directors therefore approach the target setting proc
We believe targets are set consistently with the philosophy of the POBS Plus plan that they be
the last six years, the average target achievement for executive officers has ranged from 95%

2008 Performance Targets and Actual Target Achievement

The 2008 performance targets for 100% target achievement were as follows: adjusted non-GA
net cash flow before taxes, voluntary pension payments and restructuring $260.4 million, la
5.70, and group sales measured at budgeted currency rates $1,898.4 million. Messrs. Carats

targets related to the sales and operating profit of their respective divisions.

The 2008 actual performance was as follows: adjusted non-GAAP earnings per share $5.68, voluntary pension payments and restructuring $235.2 million, last 12 months inventory turn measured at budgeted currency rates $1,916.8 million. Adjusted non-GAAP earnings per

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COMPENSATION DISCUSSION AND ANALYSIS

share during 2008 excluded benefits for a change in the company s effective tax rate, as well
$6 million, offset in part by a restructuring charge of $6 million. Net cash flow before taxes ar
represents cash flow from operations less capital expenditures, tax payments and voluntary pe
made to the company s U.S. pension plan, plus proceeds from property sales.

The 2008 target performance resulted in bonus payments for Messrs. Spoerry, Filliol, Donnell
100%, 96%, 81%, 47% and 52% of base salary, respectively, under the POBS Plus plan for 20

Share Purchase Plan

To help encourage executives to be direct shareholders, the board approved the Mettler-Toled
November 1, 2007. Under the plan, executive officers may purchase company shares using all
payable under the POBS Plus plan, subject to approval of the Compensation Committee. The
plan will be equal to the New York Stock Exchange closing price on the date of issuance, whi
shortly before March 15 of each year. All shares issued pursuant to the plan will be restricted
the date of issuance, during which time they may not be sold, assigned, transferred or otherwi
pledged or otherwise hypothecated, except in the case of death or disability.

Mr. Spoerry purchased shares with a value of CHF 500,000 from his 2007 bonus. Mr. Filliol p
CHF 650,000 from his 2007 bonus and CHF 360,938 from his 2008 bonus. Mr. Widmer purch
CHF 150,000 from his 2007 bonus.

Long-Term Incentives

Another method we have historically used to link pay with performance is awarding stock opt
management s interests with those of the company s shareholders. When the company perfor
officers incentive compensation increases. When the company does not perform well, the va
reduced. Our stock options typically vest over five years, 20% per year, starting on the first an
In 2003, we granted certain options that vested over two years. Options generally have a term
grants to Swiss residents having terms of six years and ten and a half years.

In connection with the management succession plan described above, the Compensation Com
performance options to the executive officers that was made on January 3, 2008. The perform
March 1, 2013, provided the company has achieved at least 15% compound annual growth in
share (EPS) (subject to certain defined adjustments) over the five-year period January 1, 2008
The regular annual grant of options was made on November 6, 2008.

In determining the size of each named executive officer s stock option grants, the Compensat
relative importance of the individual s job, the contribution and performance of the individua
total compensation, as well as competitive information about equity as described above relativ
this analysis led to the grant of stock options with the grant date fair values each as described
Awards .

The Compensation Committee believes that past performance is just one factor to take into ac
future awards. In line with our philosophy of rewarding for performance, if the interests of sha
continue to be served, it is appropriate for management to continue to be awarded long-term i

Option Grant Practices and Policy

The Compensation Committee approves all option grants. Option grants are typically made or
Compensation Committee meeting at which the overall annual compensation review takes pla

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COMPENSATION DISCUSSION AND ANALYSIS

(typically in late October or early November each year). The Compensation Committee meeti
in advance, and the option grants are made on the meeting date. This is typically shortly befor
company s earnings. In the past, the Committee has also made initial grants to individual exe
started serving as executive officers.

All options have an exercise price equal to the closing price of the company s shares on the N
date of grant.

Stock Ownership Philosophy

We encourage all executives to be direct shareholders. The Compensation Committee periodi
implement a stock ownership requirement or other holding requirement for directors or execu
Committee has not implemented such a policy, other than for Mr. Filliol, who must acquire at
of 2010, and must hold such shares until at least one year following his last day of employme
more than this number of shares. The Compensation Committee feels it is important for senio
significant portion of their ongoing compensation tied to the interests of shareholders. All exe
significant portion of their company compensation tied to stock options. The Compensation C
implementing an ownership policy beyond that applicable to the CEO is not necessary under t
not enhance management s motivation or performance.

Swiss Pension Plan

The Swiss-based executive officers (each of the named executive officers except Mr. Donnell
plan called Mettler-Toledo Fonds, which is a cash balance benefit (or pension) plan. Each yea
of each participating named executive officer s covered salary . The covered salary for pen
the individual s target salary (consisting of the base salary plus the bonus earned at 100% targ
by Swiss law at a maximum of CHF 795,600 in 2008 and 2007 and CHF 774,000 in 2006. Inc
make their own direct contributions to the plan from their own funds. Amounts in the plan bea
annual performance of the pension plan, including certain minimum amounts as set by Swiss l
paid in the form of a lump-sum payment when the employee reaches the normal retirement ag

Tax Treatment

Section 162(m) of the Internal Revenue Code prohibits the company from deducting compens
paid to certain employees, generally its CEO and its three other most highly compensated exe
CFO), unless that compensation qualifies as performance-based compensation. We maintain f
fairly compensate the company s executive officers with the company s ability to deduct co
Section 162(m).

Tax Equalization Agreements (Swiss Executives)

The company is a party to tax equalization agreements with Messrs. Spoerry, Filliol, Caratsch
non-U.S. citizens and non-U.S. residents and who pay income tax on their earnings in Switzer
receive any cash benefit from the agreements, the principle of which is to leave the employee
(i.e., no better and no worse off) than if they had not become subject to incremental U.S. taxat
income. Under the tax equalization agreements, the company has agreed to pay taxes borne by

incremental taxation being due in the United States by virtue of their work for the company th
left no better and no worse off than had they not become subject to U.S. taxation, the Compen
believe it is appropriate to take into account the U.S. taxes paid by the company under the tax
determining the employees compensation each year. In cases where the individual s Swiss t
company having paid these U.S. tax amounts, the individual may need to make a payment to t
equalization agreement.

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COMPENSATION DISCUSSION AND ANALYSIS

Changes in 2008 Compensation

In connection with the management succession described above, the company entered into em
Messrs. Filliol and Spoerry effective January 1, 2008. See Employment Agreements below
Swiss law and call for 2008 base salaries for Mr. Filliol of CHF 750,000 and Mr. Spoerry of C
are subject to adjustment in future years. The target bonuses for Messrs. Filliol and Spoerry ar
300,000, respectively.

Based on its review of salary survey data referred to above, and taking into account each indiv
Compensation Committee increased the base salaries of Messrs. Donnelly and Widmer by 7.2
company entered into an employment agreement with Mr. Caratsch effective January 1, 2008,
salary of CHF 300,000, subject to adjustment in future years, and a target bonus of CHF 135,0
leadership of Mr. Spoerry, Mr. Filliol and the management team, and the overall performance
believes management s compensation is appropriate.

Summary Compensation Table(1)

Name and Principal Position	Year	Base Salary ($)	Stock Awards ($)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation [Bonus] ($)(3)	Nonq De Comp Ea (\$
Robert F. Spoerry	2008	$ 553,863		$ 1,054,225	$ 553,863	$ 1
Executive Chairman(6)	2007	1,095,564		857,169	1,791,577	1
	2006	1,036,578		465,553	1,658,025	1
Olivier A. Filliol(7)	2008	692,329		1,446,558	666,367	1
President and Chief	2007	417,890		581,857	635,681	1
Executive Officer	2006	408,474		599,921	610,046	1
William P. Donnelly	2008	368,700		967,006	299,362	
Chief Financial Officer	2007	344,850		490,215	535,194	
	2006	325,110		450,914	448,239	
Thomas Caratsch(8)	2008	276,932	$ 12,636	122,082	130,850	
Head of Laboratory						
Urs Widmer	2008	309,194		588,016	160,796	
Head of Industrial	2007	303,434		327,620	364,971	
	2006	298,744		336,038	334,526	

(1) All amounts shown were paid in Swiss francs, except amounts paid to Mr. Donnelly and
which were paid in U.S. dollars. For purposes of this table, all amounts paid in Swiss fra
dollars at a rate of CHF 1.0833 to $1.00, the average exchange rate in 2008.

(2)

Represents the compensation cost recognized by the company pursuant to FAS 123R rel
each individual. The valuation assumptions associated with such awards are discussed in
financial statements included in the Form 10-K for the fiscal year ending December 31,

(3) Amounts shown are the annual bonus earned under the company s POBS Plus (Perform
bonus plan. A portion of the bonus was paid in the form of company shares pursuant to t
described above as follows: Mr. Spoerry (CHF 500,000 for 2007), Mr. Filliol (CHF 650,
for 2008) and Mr. Widmer (CHF 150,000 for 2007).

(4) Represents the change in actuarial present value of each individual s accumulated benef
Fonds pension plan, a Swiss cash balance benefit plan, consisting of the company s con
each individual.

(5) Includes tax equalization payments and other miscellaneous benefits as set out below. A
Discussion and Analysis above, the individuals do not receive any cash benefit from the
principle of the tax equalization is to leave the employee in exactly the same position (i.e
if they had not become subject to U.S. taxation on a portion of their income. As such, the
does not believe it is appropriate to include these tax equalization amounts when determi
compensation each year. Negative amounts represent payments by the individual to the c
of lower Swiss taxes being due by virtue of the U.S. tax payments.

Miscellaneous benefits, none of which individually exceeds $25,000 in value, include ca
allowances, tax return preparation, and the value of meals in the company cafeteria. In M
include the company s matching payments

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COMPENSATION DISCUSSION AND ANALYSIS

under its 401(k) plan, access to a company-rented apartment in Columbus in lieu of hotel ac
value of life insurance premiums paid by the company.

Name	Year	E
Robert F. Spoerry	2008	$
	2007	
	2006	
Olivier A. Filliol	2008	
	2007	
	2006	
William P. Donnelly	2008	
	2007	
	2006	
Thomas Caratsch	2008	
Urs Widmer	2008	
	2007	
	2006	

(6) Mr. Spoerry was President and Chief Executive Officer through 2007. He was Executive
and became Chairman of the Board effective January 2009.

(7) Mr. Filliol was Head of Global Sales, Service and Marketing through 2007. He became P
Officer in January 2008.

(8) Mr. Caratsch assumed the position of Head of Laboratory in January 2008. Mr. Caratsch
restricted stock units in November 2007 prior to becoming an executive officer. The restr
ratably over five years from the first anniversary of the date of grant. The figure shown in
represents compensation cost recognized by the company in 2008 pursuant to FAS 123R
valuation assumptions associated with this award are discussed in Note 11 to the compan
included in the Form 10-K for the fiscal year ending December 31, 2008.

Employment Agreements

In connection with the management succession described above, the company entered into em
Messrs. Filliol and Spoerry effective January 1, 2008. The agreements are governed by Swiss
for Mr. Filliol and Mr. Spoerry of CHF 750,000 and CHF 600,000, respectively, subject to adj
target bonuses for Messrs. Filliol and Spoerry are CHF 375,000 and CHF 300,000, respectivel
depends on target achievement, pursuant to the terms of the POBS Plus bonus plan. The indiv
in the company s equity incentive plan. The company bears the cost of contributions to the M
plan, as well as the cost of accident and disability insurance.

The agreements may be terminated by either party on 12 months notice to the end of a month
compete with the company for a period of 12 months after termination. If the company termin

before January 1, 2010 without cause, it must make an additional payment to Mr. Filliol of CH
must own at least 15,000 MTD shares by the end of 2010, and must hold such shares until at l
day of employment. Mr. Filliol may not serve on any third party board of directors through th
party board service is conditioned on prior approval by the Board of Directors.

In establishing the compensation of Messrs. Filliol and Spoerry, the Compensation Committe
Pearl Meyer & Partners about compensation levels at other companies in similar situations wi
Chairman with executive responsibilities similar to Mr. Spoerry s. The Committee also took i
peer company survey data described above. In setting the CEO s compensation, the Committ
salary, the salary levels of the other executive officers, as well as Mr. Filliol s age and experi
compensation, the Committee took into account his duties and responsibilities and expected ti
Committee also considered Mr. Spoerry s compensation level relative to Mr. Filliol s.

The company is a party to employment agreements with each of the remaining named executi
provide for a base salary subject to adjustment and participation in our bonus plan and other e

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COMPENSATION DISCUSSION AND ANALYSIS

benefit plans. Each agreement prohibits the executive from competing with the company for a
termination of employment. The agreements may be terminated without cause by either party
Mr. Widmer and 12 months notice for Messrs. Donnelly and Caratsch, during which periods
compensation under the agreement, including payment of base salary, target bonus, and contin

The equity compensation arrangements are separately described in the sections below entitled
and Outstanding Equity Awards at Fiscal Year-End . The operation of the employment agre
termination or a change in control is separately described below under Payments Upon Term

Grants of Plan-Based Awards

Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) Threshold ($)	Maximum ($)	Target ($)	Grant Date (2)	All Other Option Awards: Number of Securities Underlying Options (#)
Robert F. Spoerry	0	$ 938,133	$ 276,932		
				11/6/08	36,700
Olivier A. Filliol	0	1,172,667	346,164	1/3/08	66,800
				11/6/08	110,000
William P. Donnelly	0	590,625	168,750	1/3/08	27,500
				11/6/08	45,100
Thomas Caratsch(4)	0	444,475	124,619	1/3/08	7,500
				1/3/08	12,000
				11/6/08	18,000
Urs Widmer	0	498,701	139,823	1/3/08	16,050
				11/6/08	22,500

(1) Represents the range of bonus payments possible under the company s POBS Plus (Perf
System) bonus plan in respect of the 2008 fiscal year. The maximum bonus possible is 1
Messrs. Spoerry and Filliol, 157.5% for Mr. Donnelly, and 160.5% of base salary for the
target bonus is 50% of base salary for Messrs. Spoerry and Filliol and 45% of base salary
The actual bonus earned in each year is included in the Summary Compensation Table

(2) Each of the option awards was made under the Mettler-Toledo International Inc. 2004 Ec
January 3, 2008 grants will vest in full on March 1, 2013, provided the company has ach
annual growth in its fully diluted earnings per share (EPS) (subject to certain defined adj

period January 1, 2008 through December 31, 2012. The November 6, 2008 grants vest i
starting on the first anniversary of the date of grant.

(3) The grant date fair value of the January 3, 2008 options of $32.20 per share and the value
options of $19.929 per share have been calculated using the Black-Scholes option pricin
following assumptions: estimated time until exercise of five years; a risk-free interest rat
respectively; a volatility rate of 25%; and a zero dividend yield. The Black-Scholes optio
method of valuing options. The actual value of the options may significantly differ, and c
market value of the common stock over the exercise price at the time of exercise.

(4) Of the January 3, 2008 option grants made to Mr. Caratsch, 12,000 are the above-referen
remaining 7,500 options were granted in connection with Mr. Caratsch becoming an exe
over five years starting from the first anniversary of the date of grant.

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COMPENSATION DISCUSSION AND ANALYSIS

Outstanding Equity Awards at Fiscal Year-End

	Option Awards(1)				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Grant Date	Opt Expir Da
Robert F. Spoerry(3)			$ 46.375	11/1/2000	
			$ 45.91	10/31/2001	
			$ 33.23	11/7/2002	
			$ 37.56	8/27/2003	
			$ 47.95	10/28/2004	
	72,000	48,000	$ 52.37	11/3/2005	5/
	40,000	60,000	$ 68.06	11/2/2006	5/
	6,680	26,720	$ 105.11	11/1/2007	11/
	0	36,700	$ 73.69	11/6/2008	11/
Olivier A. Filliol	50,000	0	$ 46.20	6/1/2001	12/
	30,000	0	$ 45.91	10/31/2001	4/3
	30,000	0	$ 33.23	11/7/2002	5/
	30,000	0	$ 37.56	8/27/2003	2/2
	15,000	0	$ 37.56	8/27/2003	2/2
	32,000	8,000	$ 47.95	10/28/2004	4/2
	33,000	22,000	$ 52.37	11/3/2005	5/
	18,000	27,000	$ 68.06	11/2/2006	5/
	13,360	53,440	$ 105.11	11/1/2007	11/
	0	66,800	$ 112.37	1/3/2008	1/
	0	110,000	$ 73.69	11/6/2008	11/
William P. Donnelly	25,000	0	$ 46.375	11/1/2000	5/
	25,000	0	$ 45.91	10/31/2001	4/3
	30,000	0	$ 37.56	8/27/2003	8/2
	15,000	0	$ 37.56	8/27/2003	8/2
	32,000	8,000	$ 47.95	10/28/2004	10/2
	33,000	22,000	$ 52.37	11/3/2005	11/
	18,000	27,000	$ 68.06	11/2/2006	11/
	6,050	24,200	$ 105.11	11/1/2007	11/

	0	27,500	$ 112.37	1/3/2008	1/
	0	45,100	$ 73.69	11/6/2008	11/
Thomas Caratsch(4)	0	7,500	$ 112.37	1/3/2008	1/
	0	12,000	$ 112.37	1/3/2008	1/
	0	18,000	$ 73.69	11/6/2008	11/
Urs Widmer	15,000	0	$ 45.91	10/31/2001	4/3
	25,000	0	$ 37.56	8/27/2003	2/2
	15,000	0	$ 37.56	8/27/2003	2/2
	20,000	5,000	$ 47.95	10/28/2004	4/2
	21,000	14,000	$ 52.37	11/3/2005	5/
	11,000	16,500	$ 68.06	11/2/2006	5/
	3,670	14,680	$ 105.11	11/1/2007	11/
	0	16,050	$ 112.37	1/3/2008	1/
	0	22,500	$ 73.69	11/6/2008	11/

(1) Each of the options vests ratably over five years starting from the first anniversary of the options granted in 2003, which vested on the first and second anniversary of the date of g grants, which will vest in full on March 1, 2013, provided the company has achieved at le growth in its fully diluted earnings per share (EPS) (subject to certain defined adjustmen January 1, 2008 through December 31, 2012.

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COMPENSATION DISCUSSION AND ANALYSIS

(2) Mr. Caratsch received a grant of 600 restricted stock units in November 2007 prior to be
The restrictions on these RSUs lapse ratably over five years from the first anniversary of
value figure shown in the Stock Awards column is calculated using the closing share pric
2008.

(3) The Compensation Committee recommended granting options to Mr. Spoerry in each of
and 2004. Mr. Spoerry declined each of the proposed grants, requesting instead that the c
other employees.

(4) Of the January 3, 2008 option grants made to Mr. Caratsch, 12,000 are the above-referen
remaining 7,500 options were granted in connection with Mr. Caratsch becoming an exe
over five years starting from the first anniversary of the date of grant.

Option Exercises and Stock Vested in Fiscal 2008

	Option Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)
Robert F. Spoerry		
William P. Donnelly		
Olivier A. Filliol		
Thomas Caratsch		
Urs Widmer		

Pension Benefits(1)

Name	Plan Name	Number of Years of Credited Service (#)
Robert F. Spoerry	Mettler-Toledo Fonds	25
Olivier A. Filliol	Mettler-Toledo Fonds	10
William P. Donnelly	n.a.	n.a.

Thomas Caratsch	Mettler-Toledo Fonds	1
Urs Widmer	Mettler-Toledo Fonds	24

(1) The Swiss-based executive officers (each of the named executive officers except Mr. Do pension plan called Mettler-Toledo Fonds, which is a form of cash balance benefit (or pe contribute to the plan 22% of each participating named executive officer s covered sal purposes is equal to 77.27% of the individual s target salary (consisting of the base salar target achievement) and was capped by Swiss law at a maximum of CHF 795,600 in 200 in 2006.

(2) Swiss franc amounts have been converted to U.S. dollars at a rate of CHF 1.0561 to $1.0 December 31, 2008. Individual employees may also make their own direct contributions funds. Of the amounts shown, the named officers individually contributed the following $1.9 million, Mr. Filliol $1.1 million, Mr. Caratsch $1.2 million and Mr. Widmer $2.4 m

Payments Upon Termination or Change in Control

Pursuant to the employment agreements described above, each of the named executive officer giving the requisite notice. In the event of certain terminations, the executives are entitled to r the notice period.

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COMPENSATION DISCUSSION AND ANALYSIS

The following table reflects payments that would have been made to the named executive offi
on various grounds, assuming that notice of termination was given on December 31, 2008. Th
information about any contracts, agreements, plans or arrangements to the extent they do not d
operation in favor of executive officers and that are available generally to all salaried employe

Potential Payments Upon Termination or Change in Control

Name	For Cause/Dea Disability/Retire (2)
Robert F. Spoerry	
Base Salary	$
Bonus	
Pension	
Benefits	
Total	
Olivier A. Filliol(4)	
Base Salary	
Bonus	
Pension	
Benefits	
Total	
William P. Donnelly	
Base Salary	
Bonus	
Pension	
Benefits	
Total	
Thomas Caratsch	
Base Salary	
Bonus	
Pension	
Benefits	
Total	
Urs Widmer	
Base Salary	
Bonus	
Pension	
Benefits	

Total

(1) In all termination scenarios, the named executive officer retains vested amounts in the co
amounts are described in the Present Value of Accumulated Benefit column of the Pe
change in control situation, the Compensation Committee has discretion to determine wh
options issued pursuant to Mettler-Toledo International Inc. 1997 Amended and Restated
accelerate and become fully exercisable. For purposes of this table, we assume that

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COMPENSATION DISCUSSION AND ANALYSIS

all outstanding options accelerate and become fully exercisable as of December 31, 2008 (a
stock units vest in the case of Mr. Caratsch). The expense associated with this acceleration i
in control, but would be incurred by the company earlier than over the normal course of the
the named executive officers unvested stock options (and Mr. Caratsch s unvested restric
December 31, 2008 is as follows (calculated as the difference between the share price on th
respective exercise price):

Name
Robert F. Spoerry
Olivier A. Filliol
William P. Donnelly
Thomas Caratsch
Urs Widmer

(2) The named executive officers are not entitled to any additional compensation from the co
vesting upon a termination for cause or termination relating to disability or upon death or
cause, each employee forfeits vested as well as unvested stock options. U.S.-based emplo
life insurance paying one time their annual compensation (up to $500,000) upon the emp
employment. In Mr. Donnelly s case, the insured amount is $500,000.

(3) In all other terminations (including not for cause or for good reason), the individual is en
certain benefits for the contractual notice period in their respective employment agreeme
our equity plans applicable to all employees, the individual is also entitled to additional o
period; provided, that if the individual gives notice of a voluntary termination, the indivi
option vesting from the date of giving notice.

(4) If the company terminates Mr. Filliol s employment before January 1, 2010 without cau
payment to Mr. Filliol of CHF 1.125 million.

Securities Authorized for Issuance under Equity Compensation Plans as of I

Number of Securities to be Issued Upon	Weighted-Ave

	Exercise of Outstanding Options, Warrants and Rights (a)		Exercise Pric Outstandin Options, Warrants and Right (b)
Equity compensation plans approved by security holders	3,138,634		
of which, Stock options	2,975,450	$	5
of which, Restricted stock units	163,184		
Equity compensation plans not approved by security holders	0		
Total	3,138,634	$	5

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SHARE OWNERSHIP

This table shows how much of the company s common stock is owned by directors, executiv
than 5% of the company s common stock as of the record date March 2, 2009 (December 31,
shareholders):

Name of Beneficial Owner		Shares Ben
5% Shareholders:		
FMR LLC 82 Devonshire Street Boston, MA 02109		
Barclays Global Investors 400 Howard Street San Francisco, CA 94105		

	Direct(2)	**Indirect(3) Number**
Directors:		
Robert F. Spoerry(4)	370,191	118,680
Wah-Hui Chu	620	1,800
Francis A. Contino	1,940	6,000
John T. Dickson	2,149	19,000
Olivier A. Filliol	16,411	251,360
Philip H. Geier	5,240	1,800
Michael A. Kelly	0	0
Hans Ulrich Maerki	240	12,000
George M. Milne	3,240	19,000
Thomas P. Salice(5)	220,377	19,000
Named Executive Officers:		
William P. Donnelly(6)	54,507	184,050
Thomas Caratsch(7)	290	1,500
Urs Widmer	8,913	110,670
All Directors and Executive Officers as a Group (16 persons):	746,787	837,680

* The percentage of shares of common stock beneficially owned does not exceed one perc

(1) Calculations of percentage of beneficial ownership are based on 33,648,343 shares of co
March 2, 2009. Information regarding 5% shareholders is based solely on Schedule 13G

directors and officers, the calculations assume the exercise by each individual of all optio
stock held by such individual that are exercisable within 60 days of the date hereof.

(2) Includes 240 shares relating to restricted stock units that have vested for all Directors exc
Kelly (no shares relating to restricted stock units) and Mr. Chu (120 shares).

(3) Represents shares subject to stock options that are exercisable within 60 days.

(4) Includes 17,778 shares held by Mr. Spoerry s spouse.

(5) Includes 8,987 shares held by a charitable trust and over which Mr. Salice shares voting a
spouse as trustees, but no beneficial ownership.

(6) Includes 3,230 shares held by Mr. Donnelly s children.

(7) Includes 120 shares relating to restricted stock units that have vested.

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PROPOSAL ONE:
ELECTION OF DIRECTORS

The nominees for the Board of Directors are listed below. Each nominee, if elected, will hold
meeting of shareholders and until their successors have been duly elected and qualified. All no
The Board of Directors has no reason to believe that any nominee would be unable or unwillin
event that a nominee is unable to serve, the person designated as proxyholder for the company
nominees and for such other person as the Board of Directors may nominate.

Directors shall be elected by the affirmative vote of a majority of the votes cast with respect to
the number of nominees exceeds the number of directors to be elected, directors shall be electe
plurality of the votes cast. Votes cast shall include votes for, against or to withhold authority f
broker non-vote shall not count as a vote cast with respect to a director. If an incumbent direct
majority vote when such vote is required and offers to resign, and if that resignation is not acc
Directors, such director shall continue to serve until the next annual meeting and until his or h
his or her earlier accepted resignation or removal. If a director s resignation is accepted by the
nominee for director is not elected and the nominee is not an incumbent director, then the Boa
discretion, may fill any resulting vacancy, or may decrease the size of the Board of Directors,
provisions of Sections 1 and 2 of Article II of the company s by-laws.

Robert F. Spoerry is 53 years old and has been a director since October 1996. Mr. Spoerry wa
Executive Officer of the company from 1993 to 2007. He served as Head of Industrial and Re
from 1987 to 1993. Mr. Spoerry has been Chairman of the Board of Directors since May 1998
Chairman in 2008.

Wah-Hui Chu is 57 years old and has been a director since January 2007 and serves on the N
Governance Committee. Mr. Chu has been Executive Director and Chief Executive Officer of
October 2008. He was non-executive Chairman of PepsiCo International s Asia Region from
March 1998 to March 2007 he was the President of PepsiCo International China Beverages
Director of Li Ning Company Limited.

Francis A. Contino is 63 years old and has been a director since October 2004 and serves as C
Committee. Mr. Contino has been Managing Director of FAC&B LLC since July 2008. He wa
Management Committee and a member of the Board of Directors of McCormick & Company,
was Chief Financial Officer from 1998 through October 2007. He was Executive Vice Preside
McCormick from October 2007 to June 2008. Prior to joining McCormick, Mr. Contino was M
Baltimore office of Ernst & Young.

Olivier A. Filliol is 42 years old and has been a director since January 2009. He has been Pres
Officer of the Company since January 1, 2008. Mr. Filliol served as Head of Global Sales, Ser
Company from April 2004 to December 2007, and Head of Process Analytics of the Company
2007. From June 1998 to June 1999 he served as General Manager of the Company s U.S. ch
joining the Company, he was a Strategy Consultant with the international consulting firm Bai
Geneva, Paris and Sydney offices.

Michael A. Kelly is 52 years old and has been a director since July 2008 and serves on the Co
Mr. Kelly has been Executive Vice President, Display and Graphics Business of 3M Company

this, he served in various management positions in the U.S., Singapore, Korea and Germany s

Hans Ulrich Maerki is 62 years old and has been a director since September 2002 and serves and Nominating & Corporate Governance Committees. Mr. Maerki was the Chairman of IBM (EMEA) from August 2001 to March 2008. From July 2003 to May 2005, Mr. Maerki was als EMEA. From 1996 to July 2001, Mr. Maerki was General Manager of IBM

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PROPOSAL ONE:
ELECTION OF DIRECTORS

Global Services, EMEA. Mr. Maerki worked at IBM in various positions from 1973 to 2008. I
ABB Ltd. and Swiss Re.

George M. Milne, Jr., Ph.D., is 65 years old and has been a director since September 1999 an
Nominating and Corporate Governance Committee. Dr. Milne is a venture partner of Radius V
July 2002, Dr. Milne held various management positions with Pfizer Corporation, including m
President, Pfizer Global Research and Development and President, Worldwide Strategic and C
Dr. Milne was also a Senior Vice President of Pfizer Inc. and a member of the Pfizer Managem
of Central Research from 1993 to July 2002 with global responsibility for Pfizer s Human and
and Development. Dr. Milne is also a Director of Athersys Inc. and Charles River Laboratorie

Thomas P. Salice is 49 years old and has been a director since October 1996 and serves on the
Chairman of the Compensation Committee. Mr. Salice is a co-founder and principal of SFW C
equity firm. He has served as a Managing Member of SFW Capital Partners since January 200
December 2004, Mr. Salice served in a variety of capacities with AEA Investors, Inc., includin
President and Chief Executive Officer and Vice-Chairman. Mr. Salice is also a Director of Wa

**The Board of Directors recommends that you vote *FOR* the election of each of the direct
be voted FOR each nominee unless otherwise specified in the proxy.**

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PROPOSAL TWO:
RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOU

You are being asked to ratify the appointment of PricewaterhouseCoopers LLP (PwC) as the c registered public accounting firm. The Audit Committee has appointed PwC, independent pub report on the company s consolidated financial statements for the fiscal year ending Decembe other services as may be required of them.

Auditor Attendance at Annual Meeting

Representatives of PwC are expected to be present at the annual meeting. They will have the o if they desire to do so and will be available to respond to appropriate shareholder questions.

Limitation on Amount of Audit Fees

We have no existing direct or indirect understandings or agreements with PwC that place a lin audit fees. Please see the Audit Committee Report in this proxy statement for further details co PwC.

The Board of Directors recommends that you vote *FOR* ratification of the appointment o registered public accounting firm. Proxies will be voted FOR ratification of the appoi specified in the proxy.

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ADDITIONAL INFORMATION

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is comprised of Messrs. Dickson, Geier, Kelly, Maerki and Sal officers or employees of the company or its subsidiaries or had any relationship requiring disc Item 404 of the Securities and Exchange Commission s Regulation S-K during 2008. No inte between the members of Mettler-Toledo s Board of Directors or the Compensation Committe compensation committee of any other company, nor has any such interlocking relationship exi

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the company s executive office who own more than ten percent of a registered class of the company s equity securities, to fil changes in ownership with the Securities and Exchange Commission (the SEC) and The N Executive officers, directors and greater than 10% shareholders are required by SEC regulatio all Section 16(a) forms they file. Based on our review of the copies of such forms received by from certain reporting persons, we believe that in the last fiscal year, all filing requirements ap officers and directors and greater than 10% shareholders were complied with except the filing reporting a stock purchase by Mr. Francis Contino made on May 1, 2008.

Availability of Form 10-K and Annual Report to Shareholders

The company s Annual Report to shareholders for the fiscal year ended December 31, 2008, accompanies this proxy statement. The Annual Report is not to be regarded as proxy soliciting communication by means of which any solicitation is to be made.

The Annual Report will be available on the company s website at www.mt.com under Abou Report . Upon written request, the company will furnish, without charge, to each person who of the Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as filed with for copies of any such materials should be directed to Investor Relations, Mettler-Toledo Inter Parkway, Columbus, Ohio 43240-2020, USA, telephone +1 614 438 4748.

Electronic Delivery of Annual Report and Proxy Statement

If you wish to receive future annual reports, proxy statements and other materials and shareho electronically via the Internet, please follow the directions on your proxy card for requesting s election to receive materials electronically will continue until you revoke it. You will continue shares by mail or via the Internet.

How to Submit Shareholder Proposals

Shareholders may present proposals which may be proper subjects for inclusion in the proxy s at an annual meeting. To be considered, proposals must be submitted on a timely basis. We m year s annual meeting no later than November 15, 2009. Proposals and questions related ther writing to the Secretary of the company. Proposals may be included in the proxy statement fo they comply with certain rules and regulations promulgated by the Securities and Exchange C

with certain procedures described in our by-laws, a copy of which may be obtained from the S
proposal submitted outside the processes of these rules and regulations will be considered unti
Rule 14a-4 and Rule 14a-5.

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ADDITIONAL INFORMATION

Expenses of Solicitation

The cost of soliciting proxies will be borne by the company. In addition to the solicitation of p of our officers, directors and regular employees, none of whom will receive additional compe proxies in person or by Internet or other means. As is customary, we will, upon request, reimb trustees, nominees and other persons for their out-of-pocket expenses in forwarding proxy ma

Delivery of Documents to Shareholders Sharing an Address

If you are the beneficial owner, but not the record holder, of shares of METTLER TOLEDO s nominee may only deliver one copy of this proxy statement and our 2008 annual report to mul address unless that nominee has received contrary instructions from one or more of the shareh promptly, upon written or oral request, a separate copy of this proxy statement and our 2008 a a shared address to which a single copy of the documents was delivered. A shareholder who w of the proxy statement and annual report should submit this request by writing to Investor Rel International Inc., 1900 Polaris Parkway, Columbus, OH 43240, USA or by calling +1 614 43 address who are receiving multiple copies of proxy materials and annual reports and who wish such materials in the future should contact their broker, bank or other nominee to request that document be mailed to all shareholders at the shared address in the future.

Other Matters

We know of no other matter to be brought before the annual meeting. If any other matter requ should come before the meeting, it is the intention of the persons named in the proxy to vote t such matter in accordance with their reasonable judgment.

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PROXY
METTLER-TOLEDO INTERNATIONAL INC.
Proxy for Annual Meeting of Shareholders
April 30, 2009

This proxy is solicited on behalf of Mettler-Toledo International Inc. s Bo

The undersigned hereby appoints Robert F. Spoerry and William P. Donnelly, and each of undersigned, with full power of substitution, to represent and to vote all shares of Mettler-Tole stock which the undersigned may be entitled to vote at the 2009 Annual Meeting of Sharehold International Inc. to be held in New York, New York on Thursday, April 30, 2009 at 8:00 a.m thereof, upon the matters set forth on the reverse side and described in the accompanying prox other business as may properly come before the meeting or any adjournment thereof.

1. **Vote by Internet** Use the Internet to access the website http://proxyonline.mt.com w online by following the instructions posted. Voting on the Internet requires use of the c on the proxy card.

OR

2. **Vote by Mail** Complete the attached proxy card, including the date and shareholder card in the envelope provided.

If voting by mail, please mark this proxy as indicated on the reverse side to vote on an accordance with the Board of Directors recommendations, please sign the reverse side; IF THIS PROXY IS SIGNED BUT NO SPECIFICATION IS MADE, THE PROXY SHA ITEMS 1 AND 2 in their discretion, and the appointed proxies are authorized to vote up properly come before the meeting.

(continued and to be signed on other side)

Address Change / Comments (Mark the corresponding box on the re

5TO VOTE BY MAIL FOLD AND DETACH HERE5

Please Mark Here for Address
SEE REVERS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ITEMS 1 AND 2

ITEM NO. 1 ELECTION OF DIRECTORS

01 Robert F. Spoerry	FOR o	AGAINST o	ABSTAIN o	05 Michael A. Kelly	FOR o	AC
02 Wah-Hui Chu	FOR o	AGAINST o	ABSTAIN o	06 Hans Ulrich Maerki	FOR o	AC
03 Francis A. Contino	FOR o	AGAINST o	ABSTAIN o	07 George M. Milne	FOR o	AC
04 Olivier A. Filliol	FOR o	AGAINST o	ABSTAIN o	08 Thomas P. Salice	FOR o	AC

ITEM NO. 2 - APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING

FOR o	AGAINST o	ABSTAIN o

Receipt is here
Mettler-Toledo
Notice of Meet
PLEASE SIGN, DAT
PROMPTLY IN THE EN

By checking the box to the right, I consent to future delivery of annual reports, proxy stateme other materials and shareholder communications electronically via the Internet at a webpage to me. I understand that the Company may no longer distribute printed materials to me from meeting until such consent is revoked. I understand that I may revoke my consent any time b Company s transfer agent, BNY Mellon Shareowner Services LLC, Jersey City, NJ and that associated with electronic delivery, such as usage and telephone charges as well as any costs documents, will be my responsibility.

Signature Signature Date

NOTE. Please sign exactly as name appears hereon. Joint owners should each sign. Whe executor, administrator, trustee or guardian, please give full title as such. Corporate and be signed by an authorized person indicating the person s title.

5**FOLD AND DETACH HERE** 5

Vote by Internet or Mail