

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

Form 10-Q

Quarterly report under Section 13 or 15(d) of the Securities Exchange
Act of 1934

For The Quarterly Period Ended March 31, 2003

Commission File Nos. 0-9115 and 0-24494

MATTHEWS INTERNATIONAL CORPORATION
(Exact Name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of
incorporation or organization)

25-0644320
(I.R.S. Employer
Identification No.)

TWO NORTHSORE CENTER, PITTSBURGH, PA 15212-5851
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (412) 442-8200

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last
report)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is an accelerated filer (as
defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares outstanding of each of the issuer's classes of common
stock, as of the latest practicable date:

Class of Common Stock	Outstanding at April 30, 2003
Class A - \$1.00 par value	31,642,887 shares

PART I - FINANCIAL INFORMATION
MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (UNAUDITED)

(Dollar amounts in thousands, except per share data)

<TABLE>
<CAPTION>

	March 31, 2003	September 30, 2002
	-----	-----
<S>	<C>	<C>

ASSETS

Current assets:

Cash and cash equivalents	\$ 55,271	\$ 57,101
Short-term investments	4,570	4,565
Accounts receivable, net	66,140	66,239
Inventories: Materials and finished goods	\$ 23,668	\$ 22,320
Labor and overhead in process	1,120	1,606
Supplies	572	477
	-----	-----
	25,360	24,403
Other current assets	2,995	3,712
	-----	-----
Total current assets	154,336	156,020
Investments	4,583	4,699
Property, plant and equipment: Cost	135,435	131,306
Less accumulated depreciation	(63,397)	(56,163)
	-----	-----
	72,038	75,143
Deferred income taxes and other assets		24,706
Goodwill	150,909	144,960
Other intangible assets, net	13,236	13,410
	-----	-----
Total assets	\$ 419,808	\$ 422,601

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Long-term debt, current maturities	6,317	6,127
Accounts payable	15,605	19,462
Accrued compensation	20,779	22,859
Accrued income taxes	4,844	4,114
Accrued rebates	4,865	9,697
Other current liabilities	26,666	24,927
	-----	-----
Total current liabilities	79,076	87,186
Long-term debt	76,915	96,487
Estimated finishing costs	5,718	6,811
Postretirement benefits	17,682	17,907
Environmental reserve	11,165	11,300
Other liabilities	19,253	21,535
Shareholders' equity:		
Common stock	36,334	36,334
Additional paid in capital	3,013	2,119
Retained earnings	235,725	216,569
Accumulated other comprehensive loss	(9,351)	(15,216)
Treasury stock, at cost	(55,722)	(58,431)
	-----	-----
	209,999	181,375
	-----	-----
Total liabilities and shareholders' equity	\$ 419,808	\$ 422,601

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

(Dollar amounts in thousands, except per share data)

<TABLE>

<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	2003	2002	2003	2002
	-----	-----	-----	-----
	<C>	<C>	<C>	<C>
Sales	\$ 115,581	\$ 110,110	\$ 224,654	\$ 195,429
Cost of sales	(72,190)	(69,848)	(143,061)	(123,543)
	-----	-----	-----	-----
Gross profit	43,391	40,262	81,593	71,886
Selling and administrative expenses	(22,913)	(22,961)	(44,281)	(41,258)

Operating profit	20,478	17,301	37,312	30,628
Investment income	356	272	631	1,085
Interest expense	(703)	(1,189)	(1,672)	(1,993)
Other income(deductions), net	(28)	(40)	(45)	16
Minority interest	(1,131)	(656)	(2,101)	(1,311)
Income before income taxes and change in accounting	18,972	15,688	34,125	28,425
Income taxes	(7,360)	(6,055)	(13,240)	(10,971)
Income before cumulative effect of change in accounting	11,612	9,633	20,885	17,454
Cumulative effect of change in accounting, net of tax	-	-	-	(3,226)
Net income	\$ 11,612	\$ 9,633	\$ 20,885	\$ 14,228

Earnings per share before cumulative effect of change in accounting:

Basic	\$.37	\$.31	\$.67	\$.57
Diluted	\$.36	\$.30	\$.65	\$.55

Earnings per share:

Basic	\$.37	\$.31	\$.67	\$.47
Diluted	\$.36	\$.30	\$.65	\$.45

Dividends per share:	\$.0275	\$.02625	\$.055	\$.0525
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</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(Dollar amounts in thousands, except per share data)

<TABLE>

<CAPTION>

Six Months Ended
March 31,

2003	2002
------	------

<S>

<C> <C>

Cash flows from operating activities:

Net income	\$ 20,885	\$ 14,228
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,323	6,726
Change in deferred taxes	188	(1,016)
Changes in working capital items	(11,791)	(10,509)
(Increase) decrease in other assets	1,001	(200)
Increase (decrease) in estimated finishing costs	(1,093)	131
Increase (decrease) in other liabilities	2,062	(385)
Decrease in postretirement benefits	(225)	(176)
Tax benefit of exercised stock options	2,100	-
Impairment losses	-	5,255
Net (gain) loss on sales of assets	(405)	444
Net (gain) loss on investments	57	(585)
Net cash provided by operating activities	20,102	13,913

Cash flows from investing activities:

Capital expenditures	(4,200)	(3,890)
Proceeds from sales of assets	1,256	3,024

Acquisitions, net of cash acquired	-	(85,873)	
Purchases of investment securities	(103)	(4,596)	
Proceeds from disposition of investment securities	11	13,719	
	-----	-----	
Net cash used in investing activities	(3,036)	(77,616)	
	-----	-----	
Cash flows from financing activities:			
Proceeds from long-term debt	-	124,500	
Payments on long-term debt	(21,224)	(51,064)	
Proceeds from the sale of treasury stock	3,612	4,645	
Purchases of treasury stock	(2,110)	(124)	
Dividends	(1,729)	(1,606)	
	-----	-----	
Net cash provided by(used in) financing activities	(21,451)	76,351	
	-----	-----	
Effect of exchange rate changes on cash	2,555	(301)	
	-----	-----	
Net increase (decrease) in cash and cash equivalents	\$ (1,830)	\$ 12,347	
	=====	=====	

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2003

(Dollar amounts in thousands, except per share data)

Note 1. Nature of Operations

Matthews International Corporation ("Matthews"), founded in 1850 and incorporated in Pennsylvania in 1902, is a designer, manufacturer and marketer principally of memorialization products and caskets for the cemetery and funeral home industries and custom-made products which are used to identify people, places, products and events. The Company's products and operations are comprised of five business segments: Bronze, York Casket, Cremation, Graphics Imaging, and Marking Products. The Bronze segment is a leading manufacturer of cast bronze memorials and other memorialization products and is a leading builder of mausoleums in the United States. York Casket is the second leading casket manufacturer in the United States and produces a wide variety of wood and metal caskets. The Cremation segment is a leading designer and manufacturer of cremation equipment and cremation-related products in North America. The Graphics Imaging segment manufactures and provides printing plates, pre-press services and imaging systems for the corrugated and flexible packaging industries. The Marking Products segment designs, manufactures and distributes a wide range of equipment and consumables for identifying various consumer and industrial products, components and packaging containers.

Beginning with the first quarter of fiscal 2003, Matthews changed its internal reporting structure and is reporting a fifth business segment, the Cremation segment. The Cremation segment consists of the Company's cremation equipment business (formerly part of the Bronze segment) and the Company's cremation casket business (formerly part of the York Casket segment). Segment information for the prior period contained in these financial statements has been reclassified to conform to the current period presentation.

The Company has manufacturing and marketing facilities in the United States, Australia, Canada and Europe.

Note 2. Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information for commercial and industrial companies and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the three months and six months ended March 31, 2003 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30,

2003. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2002.

The consolidated financial statements include all majority-owned foreign and domestic subsidiaries. The consolidated financial statements also include the accounts of the Company's 50%-owned affiliates, O.N.E. Color Communications, L.L.C., and S+T GmbH & Co. KG. All intercompany accounts and transactions have been eliminated.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
MARCH 31, 2003
(Dollar amounts in thousands, except per share data)

Note 2. Basis of Presentation, continued

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 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 reporting period. Actual results could differ from those estimates.

Note 3. Stock-Based Compensation

The Company has accounted for its stock-based compensation plans in accordance with the intrinsic value provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, the Company did not record any compensation expense in the consolidated financial statements for its stock-based compensation plans. The following table illustrates the effect on net income and earnings per share had compensation expense been recognized consistent with the fair value provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation."

<TABLE>

<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,		
	2003	2002	2003	2002	
<S>	<C>	<C>	<C>	<C>	
Net income, as reported		\$11,612	\$9,633	\$20,885	\$14,228
Net income, pro forma		11,242	9,277	20,256	13,596
Basic earnings per share, as reported		.37	.31	.67	.47
Diluted earnings per share, as reported		.36	.30	.65	.45
Basic earnings per share, pro forma		.36	.30	.65	.45
Diluted earnings per share, pro forma		.35	.30	.64	.43

</TABLE>

Note 4. Income Taxes

Income tax provisions for the Company's interim periods are based on the effective income tax rate expected to be applicable for the full year. The difference between the estimated effective tax rate for fiscal 2003 of 38.8% and the Federal statutory rate of 35% primarily reflects the impact of state and foreign income taxes.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
 MARCH 31, 2003

(Dollar amounts in thousands, except per share data)

Note 5. Earnings Per Share

<TABLE>

<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net income	\$ 11,612	\$ 9,633	\$ 20,885	\$ 14,228

Weighted-average common shares outstanding	31,438,751	30,588,634	31,336,961	30,455,053
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Dilutive securities, primarily stock options	708,751	1,031,530	749,496	1,138,967
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Diluted weighted-average common shares outstanding	32,147,502	31,620,164	32,086,457	31,594,020
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Basic earnings per share	\$.37	\$.31	\$.67	\$.47
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Diluted earnings per share	\$.36	\$.30	\$.65	\$.45
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Diluted earnings per share before change in accounting	\$.36	\$.30	\$.65	\$.55
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</TABLE>

Note 6. Segment Information

The Company is organized into five business segments based on products and services. The segments, which are Bronze, York Casket, Cremation, Graphics Imaging and Marking Products, are described under Nature of Operations (Note 1). Management evaluates segment performance based on operating profit (before income taxes) and does not allocate non-operating items such as investment income, interest expense, other income (deductions), net and minority interest.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
 MARCH 31, 2003
 (Dollar amounts in thousands, except per share data)

Note 6. Segment Information, continued

Information about the Company's segments follows:

<TABLE>

<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Sales to external customers:				
Bronze	\$ 44,820	\$ 43,993	\$ 87,721	\$ 85,772
York Casket	33,617	31,661	63,776	42,419
Cremation	5,499	4,610	10,677	7,946
Graphics Imaging	23,745	23,105	46,987	45,772
Marking Products	7,900	6,741	15,493	13,520
	\$ 115,581	\$ 110,110	\$ 224,654	\$ 195,429

<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Operating profit:				
Bronze	\$ 11,810	\$ 9,715	\$ 21,183	\$ 18,434
York Casket	3,755	3,475	7,150	4,507
Cremation	255	338	712	723
Graphics Imaging	3,700	2,768	6,328	5,095
Marking Products	958	1,005	1,939	1,869
	\$ 20,478	\$ 17,301	\$ 37,312	\$ 30,628

</TABLE>

Note 7. Comprehensive Income

Comprehensive income consists of net income adjusted for changes, net of tax, in cumulative foreign currency translation, unrealized investment gains and losses and minimum pension liability. For the three months ended March 31, 2003 and 2002, comprehensive income was \$16,834 and \$9,168, respectively. For the six months ended March 31, 2003 and 2002, comprehensive income was \$26,750 and \$12,719, respectively.

Note 8. Restructuring and Relocation Costs

Accrued reserves for restructuring and relocation costs were \$2,432 at March 31, 2003 and \$3,680 at September 30, 2002. Fiscal 2003 activity reflected additional restructuring reserves of \$325 and charges incurred of \$1,573 applied against the reserves.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
 MARCH 31, 2003
 (Dollar amounts in thousands, except per share data)

Note 8. Restructuring and Relocation Costs, continued

These reserves have been provided for the restructuring, sale or closure of

certain of the York Casket segment's operations and facilities, including the disposition of their remaining distribution operations and the relocation of their administrative functions to Pittsburgh, Pennsylvania. The accrued liability, which is included in other current liabilities, includes previously established reserves assumed with the acquisition of the York Casket segment as well as reserves recorded for costs to be incurred as a result of the acquisition. The majority of the restructuring and relocation activities included in the reserves are expected to be completed during fiscal 2003.

Restructuring reserves recorded for costs to be incurred as a result of the acquisition were recorded as a purchase accounting adjustment and did not affect the fiscal 2002 operating results of the Company. Accrued costs of \$665 related to the relocation of the York Casket segment's administrative functions to Pittsburgh were expensed during fiscal 2002. Other accrued costs related to the relocation were recorded as a purchase accounting adjustment.

Note 9. Acquisition

On May 24, 2001, Matthews and The York Group, Inc. ("York Casket") signed a merger agreement whereby Matthews would acquire 100% of the outstanding common shares of York Casket for \$10 cash per share. Matthews also agreed to pay up to an additional \$1 cash per share based on excess cash (as defined in the merger agreement) remaining on the balance sheet of York Casket as of October 31, 2001. On December 3, 2001, this transaction was completed at \$11 per share. At December 3, 2001, there were 8,940,950 shares of York Casket common stock outstanding. The transaction was financed by Matthews through borrowings under a \$125,000 Revolving Credit Facility. The acquisition of York Casket, which is the second leading casket manufacturer in the United States, was designed to expand Matthews' position in the death care industry. York Casket operates as a wholly-owned subsidiary and separate segment of Matthews. Matthews has accounted for this acquisition using the purchase method and, accordingly, recorded the acquired assets and liabilities at their estimated fair values at the acquisition date. The excess of the purchase price over the estimated fair value of the net assets acquired was recorded as goodwill, which is subject to periodic review for impairment.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
 MARCH 31, 2003
 (Dollar amounts in thousands, except per share data)

Note 9. Acquisition, continued

The following unaudited pro-forma information presents a summary of the consolidated results of Matthews and York Casket as if the acquisition had occurred on October 1, 2001:

<TABLE>
 <CAPTION>

	Three Months Ended		Six Months Ended	
	March 31,	March 31,	March 31,	March 31,
	2003	2002	2003	2002
	----	----	----	----
<S>	<C>	<C>	<C>	<C>

Sales	\$ 115,581	\$ 110,110	\$ 224,654	\$ 217,096
Income before change in accounting	11,612	9,633	20,885	17,456
Net Income	11,612	9,633	20,885	14,230
Earnings Per Share before change in accounting	0.36	0.30	0.65	0.55
Earnings Per Diluted Share	0.36	0.30	0.65	0.45

</TABLE>

These unaudited pro-forma results have been prepared for comparative purposes only and include certain adjustments, such as interest expense on acquisition debt. The pro-forma results include non-recurring property, plant and equipment write-offs and plant closure and restructuring charges for York Casket of \$1,270 for the six months ended March 31, 2002. The pro-forma information does not purport to be indicative of the results of operations which actually would have resulted had the acquisition occurred on the date indicated, or which may result in the future.

Note 10. Goodwill and Other Intangible Assets

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 142, "Goodwill and Other Intangible Assets." The Company adopted SFAS No. 142 effective October 1, 2001. Under this standard, goodwill related to business combinations is no longer amortized, but is subject to periodic review for impairment. In general, when the carrying value of a reporting unit exceeds its implied fair value, an impairment loss must be recognized. For purposes of testing for transitional impairment upon adoption of SFAS No. 142, the Company used a combination of valuation techniques, including discounted cash flows. Based on this assessment, the Company recorded a pre-tax charge in the first quarter of fiscal 2002 for transitional goodwill impairment of \$5,255 (\$3,226 after-tax). The impairment was primarily related to a reporting unit within the Company's Bronze segment and was determined based upon a comparison of carrying value to implied fair market value. The Company performed its annual impairment review in the second quarter of fiscal 2003 using a combination of valuation techniques, including discounted cash flows, and determined that no additional adjustments to the carrying values of goodwill were necessary.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
MARCH 31, 2003
(Dollar amounts in thousands, except per share data)

Note 10. Goodwill and Other Intangible Assets, continued

Changes to goodwill, net of accumulated amortization, during the six months ended March 31, 2003 follow.

<TABLE>

<CAPTION>

	York Bronze	Casket	Graphics Cremation	Marking Imaging	Products	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Goodwill:						
Balance at September 30, 2002	\$ 68,516	\$ 39,313	\$ 6,402	\$ 30,564	\$ 165	\$144,960
Additions during period	-	-	-	-	-	-
Translation and other adjustments	2,028	1,744	-	2,177	-	5,949
Balance at March 31, 2003	\$ 70,544	\$ 41,057	\$ 6,402	\$ 32,741	\$ 165	\$150,909

</TABLE>

The following table summarizes the carrying amount and related accumulated amortization for intangible assets.

	Carrying Amount	Accumulated Amortization
Trade names	\$ 8,000	\$ - *
Customer relationships	4,100	(322)
Copyrights/patents/other	1,600	(142)
	<u>\$ 13,700</u>	<u>\$ (464)</u>

* Not subject to amortization

Other intangible assets consisted of customer relationships, trade names and copyrights, patents and other of \$12,963 for the York Casket segment and copyrights, patents and other of \$273 for the Cremation segment. The customer relationships and copyrights, patents and other are amortized over their estimated useful lives of 17 years and 15 years, respectively. Amortization expense for the three-month period ended March 31, 2003 for customer relationships and copyrights, patents, and other was \$61 and \$26, respectively. Amortization expense for the six-month period ended March 31, 2003 for customer relationships and copyrights, patents and other was \$121 and \$53, respectively. Amortization expense for intangible assets is expected to approximate \$350 each year between 2003 and 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement:

The following discussion should be read in conjunction with the consolidated financial statements of Matthews International Corporation and related notes thereto included in this Quarterly Report on Form 10-Q and the Company's Annual Report on Form 10-K for the year ended September 30, 2002. Any forward-looking statements contained herein are included pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from management's expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include changes in domestic or international economic conditions, changes in death rates, changes in product demand or pricing as a result of consolidation in the industries in which the Company operates, changes in product demand or pricing as a result of competitive pressures, unknown risks in connection with the Company's acquisitions, and technological factors beyond the Company's control.

Results Of Operations:

The following table sets forth certain income statement data of the Company expressed as a percentage of net sales for the periods indicated.

	Six months ended		Years ended		
	March 31,		September 30,		
	2003	2002	2002	2001(2)	2000
Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	36.3	36.8	37.5	42.2	44.2
Operating profit	16.6	15.7	15.9	18.8	17.9
Income before taxes (1)	15.2	14.5	14.6	18.2	17.2
Net income (1)	9.3	8.9	8.9	11.2	10.5

(1) Before cumulative effect of change in accounting. The six months ended March 31, 2002 reflects a pre-tax charge of \$5.3 million (\$.10 per share after tax) for transitional goodwill impairment (see "Goodwill").

(2) Fiscal 2001 included after-tax income of \$300,000 (\$.01 per share) from special items, which consisted of a pre-tax gain of \$7.1 million on the sale of a subsidiary and asset impairments, restructuring costs and other special pre-tax charges totaling \$6.6 million.

Sales for the six months ended March 31, 2003 were \$224.7 million and were \$29.3 million, or 15.0%, higher than sales of \$195.4 million for the six months ended March 31, 2002. The increase primarily related to the acquisition of The York Group, Inc. ("York Casket") on December 3, 2001. The first six months of fiscal 2003 reflected six months of activity for York Casket compared to four months for the same period a year ago. Sales for the York Casket segment were \$63.8 million for the first half of fiscal 2003 compared to \$42.4 million for the same period last year.

Results of Operations, continued:

Bronze segment sales for the first six months of fiscal 2003 were \$87.7 million compared to \$85.8 million for the first six months of fiscal 2002. The increase of 2.3% in Bronze sales reflected higher sales of memorial and architectural products and mausoleums as well as the impact on reported sales for Caggiati S.p.A. due to an increase in the value of the Euro against the U.S. dollar. The increase was partially offset by the divestiture of the segment's granite import business in fiscal 2002 and divestiture of a Canadian niche bank and columbarium business in October 2002. Sales for the Graphics Imaging segment in the first half of fiscal 2003 were \$47.0 million, compared to \$45.8 million for the same period a year ago. The increase primarily reflected higher sales in the segment's European operations combined with an increase in the value of the Euro against the U.S. dollar. These increases were partially offset by lower sales in the segment's domestic operations, which primarily related to weak demand and price pressure for printing plates sold in the United States and the closure, in October 2002, of an unprofitable manufacturing business in southern California. Marking Products segment sales for the six months ended March 31, 2003 were \$15.5 million, compared to \$13.5 million for the first six months of fiscal 2002. The increase of \$2.0 million, or 14.6%, was principally due to higher volume resulting from the addition of new distributors in Europe. Sales for the Cremation segment were \$10.7 million for the first half of fiscal 2003 compared to \$7.9 million for the same period a year ago. The increase reflected two additional months of cremation casket sales compared to the same period last year as a result of the acquisition of York Casket. For the first six months of fiscal 2003, higher foreign currency values against the U.S. dollar had a favorable impact of approximately \$6.2 million on the Company's consolidated sales compared to the first six months of fiscal 2002.

Beginning with the first quarter of fiscal 2003, Matthews is reporting a fifth business segment, the Cremation segment, which consists of the Company's cremation equipment business (formerly part of the Bronze segment) and the Company's cremation casket business (formerly part of the York Casket segment). The objective of the new segment, which is expected to generate approximately \$20 million in sales for fiscal 2003, is to focus on the fastest growing segment of the death care industry, which is cremation products and services and increase the Company's participation in this market. Segment information for the prior periods contained in this report has been reclassified to conform to the current period presentation.

Gross profit for the six months ended March 31, 2003 was \$81.6 million, compared to \$71.9 million for the six months ended March 31, 2002. The increase in consolidated gross profit primarily resulted from the acquisition of York Casket. Gross profit for all of the Company's segments increased for the quarter as a result of higher sales. In addition, gross profit for the Bronze segment reflected the benefit of a reduction in the segment's pre-need memorial finishing cost liability due to manufacturing efficiencies. Consolidated gross profit as a percent of sales declined slightly from 36.8% for the first half of fiscal 2002 to 36.3% for the first six months of fiscal 2003. The reduction in the consolidated gross margin principally related to the additional York Casket revenues, which generally have lower margins than

other Matthews segments, and an increase in pension and health care costs in fiscal 2003.

Results of Operations, continued:

Selling and administrative expenses for the six months ended March 31, 2003 were \$44.3 million, compared to \$41.3 million for the first half of fiscal 2002. The increase of \$3.0 million, or 7.3%, primarily resulted from the acquisition of York Casket. In addition, selling and administrative expenses for fiscal 2003 reflected higher pension and health care costs. Pension costs were adversely affected by a decline in the Company's pension fund assets during fiscal 2002. Pension costs for the Company's domestic defined benefit plans are projected to be \$4.4 million for fiscal 2003, compared to \$1.3 million for fiscal 2002. Consolidated selling and administrative expenses, as a percent of sales were 19.7% for the six months ended March 31, 2003, compared to 21.1% for the same period last year. The reduction principally reflected the addition of York Casket, which has the lowest ratio of selling and administrative costs of any of the Company's segments, as its products are sold primarily through independent distributors.

Operating profit for the six months ended March 31, 2003 was \$37.3 million, representing an increase of \$6.7 million, or 21.8%, over operating profit of \$30.6 million for the six months ended March 31, 2002. Operating profit for the York Casket segment for the first six months of fiscal 2003 was \$7.1 million, an increase of \$2.6 million over the same period a year ago. The increase reflected two additional months of results in the first half of fiscal 2003 compared to the same period last year. Bronze segment operating profit for the first six months of fiscal 2003 was \$21.2 million, compared to \$18.4 million for the first half of fiscal 2002. The increase of 14.9% reflected the segment's higher sales for the period, a reduction in the segment's pre-need memorial finishing cost liability due to manufacturing efficiencies, and the favorable impact on the results of Caggiati S.p.A. due to an increase in the value of the Euro against the U.S. dollar. The Bronze segment results were also favorably impacted by the divestiture of its granite import business and its Canadian niche bank and columbarium business. These two businesses generated a combined operating loss of approximately \$450,000 in the first half of fiscal 2002. Graphics Imaging operating profit for the six months ended March 31, 2003 was \$6.3 million compared to \$5.1 million for the six months ended March 31, 2002. The segment's operating profit was favorably impacted by sales growth in the Company's European operations combined with an increase in the value of the Euro against the U.S. dollar. Operating profit for the Marking Products segment for the first half of fiscal 2003 was \$1.9 million, representing an increase of \$70,000 over the same period a year ago. The increase of 3.7% reflected higher volume due to the addition of new European distributors offset by higher costs for employee benefits, inventory write-downs and product warranty expenses. Higher foreign currency values against the U.S. dollar had a favorable impact of approximately \$1.4 million on the Company's consolidated operating profit for the six months ended March 31, 2003 compared to the six months ended March 31, 2002.

Investment income for the six months ended March 31, 2003 was \$631,000, compared to \$1.1 million for the six months ended March 31, 2002. Investment income for the prior period included a one-time gain on the sale of government securities. Interest expense for the first half of fiscal 2003 was \$1.7 million, compared to \$2.0 million for the same period last year. The decline in interest expense reflected a lower level of debt during the fiscal 2003 six-month period combined with a reduction in the average borrowing rate.

Results of Operations, continued:

Other income (deductions), net, for the six months ended March 31, 2003 represented a reduction in pre-tax income of \$45,000, compared to an increase to income of \$16,000 for same period last year. Minority interest deduction for the first half of fiscal 2003 was \$2.1 million, compared to \$1.3 million for the first half of fiscal 2002. The higher minority interest deduction for fiscal 2003 resulted from operating income growth in the Company's four European Graphics Imaging businesses.

The Company's effective tax rate for the six months ended March 31, 2003 was 38.8%, which remained unchanged from the effective rate of 38.8% for the fiscal year ended September 30, 2002. The difference between the Company's effective tax rate and the Federal statutory rate of 35% primarily reflected the impact of state and foreign income taxes.

Goodwill:

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." The Company adopted SFAS No. 142 effective October 1, 2001. Under this standard, goodwill related to business combinations is no longer amortized, but is subject to periodic review for impairment. In general, when the carrying value of a reporting unit exceeds its implied fair value, an impairment loss must be recognized. For purposes of testing for transitional impairment upon adoption of SFAS No. 142, the Company used a combination of valuation techniques, including discounted cash flows. Based on this assessment, the Company recorded a pre-tax charge in the first quarter of fiscal 2002 for transitional goodwill impairment of \$5.3 million (\$3.2 million after-tax). The impairment was primarily related to a reporting unit within the Company's Bronze segment and was determined based upon a comparison of carrying value to implied fair market value. The Company performed its annual impairment review in the second quarter of fiscal 2003 using a combination of valuation techniques, including discounted cash flows, and determined that no additional adjustments to the carrying values of goodwill were necessary at this time.

Liquidity And Capital Resources:

Net cash provided by operating activities was \$20.1 million for the six months ended March 31, 2003, compared to \$13.9 million for the first six months of fiscal 2002. Operating cash flow for the first half of fiscal 2003 reflected net income adjusted for depreciation and amortization (non-cash charges), the payment of year-end profit distribution and incentive compensation accruals, and payments to customers in the second quarter of fiscal 2003 under the York Casket segment's rebate programs. Operating cash flow for first six months of fiscal 2003 also included a tax benefit of \$2.1 million from exercised stock options. For the six months ended March 31, 2002, operating cash flow primarily reflected net income adjusted for depreciation, amortization and the non-cash impairment charge recorded for transitional goodwill impairment (see "Goodwill"), the payment of year-end profit distribution and incentive compensation accruals, and payments to customers in the second quarter of fiscal 2002 under the York Casket segment's rebate programs.

Liquidity And Capital Resources, continued:

Cash used in investing activities was \$3.0 million for the six months ended March 31, 2003, compared to \$77.6 million for the six months ended March 31, 2002. Investing activities for the first six months of fiscal 2003 primarily included capital expenditures of \$4.2 million, which was partially offset by proceeds of \$1.4 million from the sale of assets. Investing activities for the first half of fiscal 2002 principally reflected payments (net of cash acquired) of \$85.9 million in connection with the acquisitions of York Casket (December 2001) and Rudolf Reproflex GmbH (July 2001). Although Rudolf, part of the Graphics Imaging Group, was acquired in fiscal 2001, the purchase price (approximately \$11.0 million) was paid in the first quarter of fiscal 2002. Fiscal 2002 investing activities also included capital expenditures of \$3.9 million, proceeds of \$3.0 million from the sale of assets and proceeds of \$9.1 million from the net disposition of investment securities.

Capital expenditures reflected reinvestment in the Company's business segments and were made primarily for the purchase of new manufacturing machinery, equipment and facilities designed to improve product quality, increase manufacturing efficiency, lower production costs and meet regulatory requirements. Capital expenditures for the last three fiscal years were primarily financed through operating cash. Capital spending for property, plant and equipment has averaged \$8.3 million for the last three fiscal years.

The capital budget for fiscal 2003 is \$11.5 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash used in financing activities for the six months ended March 31, 2003 was \$21.5 million, reflecting payments on long-term debt of \$21.2 million, partially offset by net proceeds of \$1.5 million from the sale of treasury stock (stock option exercises), and dividends of \$1.7 million to the Company's shareholders. Cash provided by financing activities for the six months ended March 31, 2002 was \$76.4 million, consisting principally of proceeds from long-term debt of \$124.5 million, offset partially by repayments of \$51.1 million on long-term debt, net proceeds of \$4.5 million from the sale of treasury stock (stock option exercises) and dividends of \$1.6 million to the Company's shareholders.

On December 3, 2001, the Company entered into a Revolving Credit Facility for \$125.0 million with a syndicate of four financial institutions. Borrowings under the facility, which matures on November 30, 2004, bear interest at LIBOR plus a factor ranging from .75% to 1.5% based on the Company's leverage ratio. The leverage ratio is defined as net indebtedness divided by EBITDA (earnings before interest, taxes, depreciation and amortization). The weighted-average interest rate on outstanding borrowings under this facility at March 31, 2003 was 2.2%. The Company is required to pay an annual commitment fee ranging from .20% to .375% (based on the Company's leverage ratio) of the unused portion of the facility. The Revolving Credit Facility requires the Company to maintain minimum levels of consolidated net worth and fixed charge and interest coverage ratios. A portion of the facility (not to exceed \$10.0 million) is available for the issuance of trade and standby letters of credit. The Revolving Credit Facility replaced the existing Revolving Credit and Term Loan Agreement. The Company borrowed \$124.5 million under the Revolving Credit Facility on December 3, 2001 in connection with the acquisition of York Casket, and for the repayment of all amounts outstanding under its Revolving Credit and Term Loan Agreement. The outstanding balance on the Revolving Credit Facility was \$64.5 million at March 31, 2003.

Liquidity And Capital Resources, continued:

The Company has a line of credit of \$500,000 (Canadian dollars), which provides for borrowings at the bank's prime interest rate. There were no borrowings outstanding on this line of credit at March 31, 2003. Caggiati S.p.A. has four lines of credit totaling approximately U.S.\$12.0 million with various Italian banks. Outstanding borrowings on these lines approximated \$4.3 million at March 31, 2003.

The Company has a stock repurchase program, which was initiated in 1996. Under the program, the Company's Board of Directors has authorized the repurchase of a total of 8,000,000 shares (adjusted for stock splits) of Matthews common stock, of which 7,177,972 shares have been repurchased as of March 31, 2003. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its common stock, and add to earnings per share. Repurchased shares may be retained in treasury, utilized for acquisitions, or reissued to employees or other purchasers, subject to the restrictions of the Company's Restated Articles of Incorporation.

Consolidated working capital of the Company was \$75.3 million at March 31, 2003, compared to \$68.8 million at September 30, 2002. Cash and cash equivalents were \$55.3 million at March 31, 2003, compared to \$57.1 million at September 30, 2002. The Company's current ratio was 2.0 at March 31, 2003 and 1.8 at September 30, 2002.

Restructuring And Relocation Costs:

Accrued reserves for restructuring and relocation costs were \$2.4 million at March 31, 2003 and \$3.7 million at September 30, 2002. Fiscal 2003 activity reflected additional restructuring reserves of \$325,000 and charges incurred of \$1.6 million applied against the reserve. These reserves have been provided for the restructuring, sale or closure of certain of the York Casket segment's operations and facilities, including the disposition of their remaining distribution operations and the relocation of their administrative functions to Pittsburgh, Pennsylvania. The accrued liability, which is

included in other current liabilities, includes previously established reserves assumed with the acquisition of the York Casket segment as well as reserves recorded for costs to be incurred as a result of the acquisition. The majority of the restructuring and relocation activities included in the reserves are expected to be completed during fiscal 2003.

Restructuring reserves recorded for costs to be incurred as a result of the acquisition were recorded as a purchase accounting adjustment and did not affect the operating results of the Company. Accrued costs of \$665,000 for the relocation of the York Casket segment's administrative functions to Pittsburgh were expensed during the fourth quarter of fiscal 2002. Other accrued costs related to the relocation were recorded as a purchase accounting adjustment.

Environmental Matters:

The Company's operations are subject to various federal, state and local laws and regulations relating to the protection of the environment. These laws and regulations impose limitations on the discharge of materials into the environment and require the Company to obtain and operate in compliance with conditions of permits and other government authorizations. As such, the Company has developed policies and procedures with respect to environmental, safety and health, including the proper handling, storage and disposal of hazardous materials.

Environmental Matters, continued:

The Company is party to various environmental matters. These include obligations to investigate and mitigate the effects on the environment of the disposal of certain materials at various operating and non-operating sites. The Company is currently performing environmental assessments and remediation at these sites, as appropriate. In addition, prior to its acquisition, York Casket was identified, along with others, by the Environmental Protection Agency as a potentially responsible party for remediation of a landfill site in York, PA. At this time, the Company has not been joined in any lawsuit or administrative order related to the site or its clean-up.

At March 31, 2003, an accrual of \$11.9 million was recorded for environmental remediation (of which \$786,000 has been classified in other current liabilities), representing management's best estimate of the probable and reasonably estimable costs of the Company's known remediation obligations. The accrual, which reflects previously established reserves assumed with the acquisition of York Casket and additional reserves recorded as a purchase accounting adjustment, does not consider the effects of inflation and anticipated expenditures are not discounted to their present value. While final resolution of these contingencies could result in costs different than current accruals, management believes the ultimate outcome will not have a significant effect on the Company's consolidated results of operations or financial position.

Acquisition:

On May 24, 2001, Matthews and York Casket signed a merger agreement whereby Matthews would acquire 100% of the outstanding common shares of York Casket for \$10 cash per share. Matthews also agreed to pay up to an additional \$1 cash per share based on excess cash (as defined in the merger agreement) remaining on the balance sheet of York Casket as of October 31, 2001. On December 3, 2001, this transaction was completed at \$11 per share. At December 3, 2001, there were 8,940,950 shares of York Casket common stock outstanding. The transaction was financed by Matthews through borrowings under a \$125.0 million Revolving Credit Facility (see "Liquidity and Capital Resources"). The acquisition of York Casket, which is the second leading casket manufacturer in the United States, was designed to expand Matthews' position in the death care industry. York Casket operates as a wholly-owned subsidiary and separate segment of Matthews. Matthews has accounted for this acquisition using the purchase method and, accordingly, recorded the acquired assets and liabilities at their estimated fair values at the acquisition date. The excess of the purchase price over the estimated fair value of the net assets acquired was recorded as goodwill, which is subject to periodic review

for impairment.

Forward-Looking Information:

The Company's objective with respect to operating performance is to increase annual earnings per share in the range of 12% to 15% annually. For the past eight fiscal years, the Company has achieved an average annual increase in earnings per share of 15.1%. Matthews has a three-pronged strategy to attain the annual growth rate objective, which has remained unchanged from the prior year. This strategy consists of the following: internal growth (which includes productivity improvements, new product development and the expansion into new markets with existing products), acquisitions and share repurchases under the Company's stock repurchase program.

Forward-Looking Information, continued:

For the first six months of fiscal 2003, the Company's earnings of \$0.65 per share were slightly above management's expectations and represented an increase of 18.2% over earnings per share of \$0.55 for the same period last year (before change in accounting). Based on the expected impact of the Company's recent acquisitions, anticipated internal growth and also considering the unfavorable impact of changes in pension and health care costs, the Company expects to achieve diluted earnings per share of \$1.37 for the fiscal year ended September 30, 2003.

FTC Investigation:

Matthews received a preliminary inquiry from the Federal Trade Commission ("FTC") requesting information with respect to its acquisition and merger related activities during 2001 with The York Group, Inc. On December 20, 2002, the Company was advised by the FTC that no further action was warranted by the FTC and the investigation had been closed.

Critical Accounting Policies:

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 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 reporting period. Therefore, the determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience, economic conditions, and in some cases, actuarial techniques. Actual results may differ from those estimates. A discussion of market risks affecting the Company can be found in "Quantitative and Qualitative Disclosures about Market Risk" in this Quarterly Report on Form 10-Q.

A summary of the Company's significant accounting policies are included in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2002. Management believes that the application of these policies on a consistent basis enables the Company to provide useful and reliable financial information about the Company's operating results and financial condition. The following accounting policies involve significant estimates, which are considered critical to the preparation of the Company's consolidated financial statements.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on an evaluation of specific customer accounts in which available facts and circumstances indicate collectibility may be a problem. In addition, the allowance includes a general reserve for all customers based on historical collection experience.

Long-Lived Assets

Property, plant and equipment, goodwill and other intangible assets are carried at cost. Depreciation on property, plant and equipment is computed primarily on the straight-line method over the estimated useful lives of the

assets. Goodwill is no longer amortized, but is subject to periodic review for impairment. Intangible assets are amortized over their estimated useful lives, unless such lives are considered to be indefinite. A significant decline in cash flows generated from these assets may result in a write-down of the carrying values of the related assets.

Critical Accounting Policies, continued:

Pension Costs

Pension assets and liabilities are determined on an actuarial basis and are affected by the market value of plan assets, estimates of the expected return on plan assets and the discount rate used to determine the present value of benefit obligations. Actual changes in the fair market value of plan assets and differences between the actual return on plan assets, the expected return on plan assets and changes in the selected discount rate will affect the amount of pension cost.

Estimated Finishing Costs

Estimated costs for finishing have been provided for bronze memorials, vases and granite bases which have been manufactured, sold to customers and placed in storage for future delivery.

Environmental Reserve

Environmental liabilities are recorded when the Company's obligation is probable and reasonably estimable. Accruals for losses from environmental remediation obligations do not consider the effects of inflation, and anticipated expenditures are not discounted to their present value.

LONG-TERM CONTRACTUAL OBLIGATIONS AND COMMITMENTS:

The following table summarizes the Company's contractual obligations at March 31, 2003, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.

<TABLE>

<CAPTION>

Payments due in fiscal year:

	Payments due in fiscal year:				
	2003	After		2007	
	Total	(remainder)	2004 to 2005	2006 to 2007	2007
<S>	<C>	<C>	<C>	<C>	<C>
Contractual Cash Obligations:	(Dollar amounts in thousands)				
Revolving credit facility	\$ 64,500	\$ -	\$ 64,500	\$ -	\$ -
Notes payable to banks	14,153	663	3,613	2,611	7,266
Short-term borrowings	4,337	4,337	-	-	-
Capital lease obligations	242	34	180	28	-
Non-cancelable operating leases	9,020	1,503	4,060	1,589	1,868
Purchase obligation	4,500(1)	4,500	-	-	-
	-----	-----	-----	-----	-----
Total contractual cash obligations	\$ 96,752	\$ 11,037	\$ 72,353	\$ 4,228	\$ 9,134
	=====	=====	=====	=====	=====

<FN>

(1) The Company has an obligation to purchase the remaining fifty percent interest in its 50% owned affiliate, O.N.E. Color Communications, LLC ("O.N.E.") no later than 2004. The purchase price is contingent on the attainment of certain operating performance levels of O.N.E. with such payment to be not less than \$4.5 million. A liability has been recorded in the consolidated financial statements for the present value of the future minimum payout.

</TABLE>

The Company believes that its current liquidity sources, combined with its operating cash flow and borrowing capacity, will be sufficient to meet its capital needs for the foreseeable future.

Accounting Pronouncements:

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses the financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity." The principal difference between SFAS No. 146 and EITF Issue No. 94-3 relates to its requirements for recognition of a liability for costs associated with an exit or disposal activity. SFAS No. 146 requires that a liability for costs associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF Issue No. 94-3, a liability for exit costs as defined in Issue No. 94-3 was recognized at the date of an entity's commitment to an exit plan. SFAS No. 146, which was effective for exit or disposal activities initiated after December 31, 2002, has not had a material impact on the Company's results of operations or financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure." This pronouncement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. This Statement also amends APB Opinion No. 28, "Interim Financial Reporting," to require disclosure about those effects in interim financial information. The disclosure provisions of SFAS No. 148 have been adopted by the Company and are included in this Quarterly Report on Form 10-Q.

In November 2002, the FASB issued FASB Interpretation No. (FIN) 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN 45 clarifies existing guidance relating to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. FIN 45 requires that, upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. FIN 45 is applicable on a prospective basis for guarantees issued or modified after December 31, 2002, regardless of the guarantor's year-end. The disclosure requirements are effective for both interim and annual period financial statements that end after December 15, 2002. FIN 45 did not have a material impact on the Company's financial statements or disclosures.

Item 3. Quantitative And Qualitative Disclosures About Market Risk

The following discussion about the Company's market risk involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The Company has market risk related to changes in interest rates, commodity prices and foreign currency exchange rates. The Company does not use derivative financial instruments in connection with these market risks.

The Company's most significant long-term debt instrument, the Revolving Credit Facility, bears interest at variable rates based on LIBOR and the carrying amount of such debt approximates fair value. In the normal course of business, the Company is exposed to commodity price fluctuations related to the purchases of certain materials and supplies (such as bronze ingot, steel and wood) used in its manufacturing operations. The Company obtains competitive prices for materials and supplies when available. The Company is subject to foreign currency exchange rate changes in the conversion from local currencies to the U.S. dollar of the reported financial position and operating results of its non-U.S. based subsidiaries.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

Based on their evaluation as of a date within 90 days of the filing date of

this Quarterly Report on Form 10-Q, the Company's chief executive officer and chief financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the "Exchange Act")) are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) Changes in Internal Controls.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of the Shareholders of Matthews International Corporation was held on February 13, 2003. A total of 31,357,742 shares of Class A Common Stock were eligible to vote at such meeting.

The matters voted upon at such meeting were as follows:

1. Election of Directors:

The following individual was nominated for election to the Board of Directors for a term expiring at the 2006 Annual Meeting of Shareholders. The nomination was made by the Board of Directors and no other nominations were made by any shareholder. The nominee had currently been a member of the Board of Directors at the date of the Annual Meeting.

Nominee	Term Expiration	Votes For	Withhold Authority
W.J. Stallkamp	2006	24,960,035	1,063,743

The terms of the following additional directors continued after the meeting: D.M. Kelly, D.J. DeCarlo, R.J. Kavanaugh, J.P. O'Leary, Jr., and J.D. Turner.

2. Selection of Auditors:

The shareholders voted to ratify the appointment by the Audit Committee of the Board of Directors of PricewaterhouseCoopers LLP as independent certified public accountants to audit the records of the Company for the year ending September 30, 2003.

Votes For:	24,405,773
Votes Against:	1,368,154
Abstaining:	249,851

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	Description
99.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for David M. Kelly.
99.2	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Edward J. Boyle.

(b) Reports on Form 8-K

None

SIGNATURES

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.

MATTHEWS INTERNATIONAL CORPORATION
(Registrant)

Date 5/14/03

D.M. Kelly

D.M. Kelly, Chairman of the Board,
President and Chief Executive Officer

Date 5/14/03

E.J. Boyle

E.J. Boyle, Chief Financial Officer,
Secretary and Treasurer

CERTIFICATION
PRINCIPAL EXECUTIVE OFFICER

I, David M. Kelly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Matthews International Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

David M. Kelly

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David M. Kelly

Chairman of the Board, President
and Chief Executive Officer

CERTIFICATION
PRINCIPAL FINANCIAL OFFICER

I, Edward J. Boyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Matthews International Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being

prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

Edward J. Boyle

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Edward J. Boyle
Chief Financial Officer,
Secretary and Treasurer

Exhibit 99.1

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to

Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David M. Kelly, President and Chief Executive Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

David M. Kelly

David M. Kelly,
President and Chief Executive Officer

May 14, 2003

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906 has been provided to Matthews International Corporation and will be retained by Matthews International Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.2

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to

Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Matthews International Corporation (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward J. Boyle, Chief Financial Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Edward J. Boyle

Edward J. Boyle,
Chief Financial Officer

May 14, 2003

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906 has been provided to Matthews International Corporation and will be retained by Matthews International Corporation and furnished to the Securities and Exchange Commission or its staff upon request.