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

Form 10-Q

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

For The Quarterly Period Ended March 31, 2002

Commission File Nos. 0-9115 and 0-24494

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

PENNSYLVANIA	25-0644320
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

TWO NORTHSHORE 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 [X] 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, 2002
Class A - $1.00 par value	30,938,506 shares

PART I - FINANCIAL INFORMATION
MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (UNAUDITED)
(Amounts in thousands, except per share data)
<TABLE>
<CAPTION>

	March 31, 2002	September 30, 2001
<S>	<C> <C>	<C> <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 41,038	$ 28,691
Short-term investments	4,547	240
Accounts receivable	67,177	52,086

Inventories: Materials and finished goods	$ 22,338	$ 16,816
Labor and overhead in process	1,493	1,520
Supplies	546	437
	24,377	18,773
Other current assets	3,279	2,538
Total current assets	140,418	102,328
Investments	4,490	18,048
Property, plant and equipment: Cost	124,198	95,418
Less accumulated depreciation	(51,556)	(46,409)
	72,642	49,009
Deferred income taxes and other assets	25,322	14,982
Goodwill, net of accumulated amortization	142,399	104,585
Total assets	$ 385,271	$ 288,952
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Long-term debt, current maturities	4,271	5,023
Accounts payable	17,540	12,971
Accrued compensation	16,078	16,283
Accrued income taxes	1,200	4,962
Customer prepayments	5,464	6,130
Other current liabilities	20,231	21,170
Total current liabilities	64,784	66,539
Long-term debt	114,671	40,726
Estimated finishing costs	7,532	7,401
Postretirement benefits	18,462	18,639
Other liabilities	16,672	11,931
Shareholders' equity:		
Common stock	36,334	36,334
Additional Paid In Capital	1,216	-
Retained earnings	197,466	184,845
Accumulated other comprehensive income (loss)	(10,492)	(8,983)
Treasury stock, at cost	(61,374)	(68,480)
	163,150	143,716
Total liabilities and shareholders' equity	$ 385,271	$ 288,952

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
(Amounts in thousands, except per share data)

<TABLE>
<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Sales	$ 110,110	$ 66,339	$ 195,429	$ 132,895
Cost of sales	(69,848)	(38,121)	(123,543)	(76,517)
Gross profit	40,262	28,218	71,886	56,378
Selling and administrative expenses	(22,961)	(16,796)	(41,258)	(33,482)
Special items	-	2,177	-	2,177
Operating profit	17,301	13,599	30,628	25,073
Investment income	272	778	1,085	1,417
Interest expense	(1,189)	(294)	(1,993)	(656)

Other income(deductions), net	(40)	(465)	16	(557)
Minority interest	(656)	(477)	(1,311)	(1,066)
	-------	-------	-------	-------
Income before income taxes and accounting change	15,688	13,141	28,425	24,211
Income taxes	(6,055)	(5,017)	(10,971)	(9,345)
	-------	-------	-------	-------
Income before cumulative effect of change in accounting	9,633	8,124	17,454	14,866
	-------	-------	-------	-------
Cumulative effect of change in accounting (net of tax)	-	-	(3,226)	-
	-------	-------	-------	-------
Net income	$ 9,633	$ 8,124	$ 14,228	$ 14,866
	=======	=======	=======	=======
Earnings per share before cumulative effect of change in accounting:				
Basic	$ .31	$ .26	$ .57	$ .48
	=====	=====	=====	=====
Diluted	$ .30	$ .26	$ .55	$ .47
	=====	=====	=====	=====
Earnings per share:				
Basic	$ .31	$ .26	$ .47	$ .48
	=====	=====	=====	=====
Diluted	$ .30	$ .26	$ .45	$ .47
	=====	=====	=====	=====
Dividends per share:	$.02625	$.025	$.0525	$ .05
	======	=====	=====	=====

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(Amounts in thousands, except per share data)

<TABLE>
<CAPTION>

	Six Months Ended March 31,	
	2002	2001
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 14,228	$ 14,866
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,726	5,838
Change in deferred taxes	(1,016)	58
Changes in working capital items	(10,509)	(2,219)
Increase in other assets	(200)	(180)
Increase in estimated finishing costs	131	89
Decrease in other liabilities	(385)	(98)
Decrease in postretirement benefits	(176)	(199)
Impairment losses	5,255	2,824
Net (gain) loss on sales of assets	444	(21)
Gain on sale of subsidiary	-	(7,099)
Net gain on investments	(585)	(113)
	----------	----------
Net cash provided by operating activities	13,913	13,746
	----------	----------
Cash flows from investing activities:		
Capital expenditures	(3,890)	(3,471)
Proceeds from sales of assets	3,024	34
Acquisitions, net of cash acquired	(85,873)	(7,461)
Proceeds from sale of subsidiary	-	18,582
Purchases of investment securities	(4,596)	(11,077)
Proceeds from disposition of investment securities	13,719	10,532
Collections on loans to officers and employees	-	7

Net cash (used in) provided by investing activities	(77,616)	7,146
Cash flows from financing activities:		
Proceeds from long-term debt	124,500	-
Payments on long-term debt	(51,064)	(1,144)
Proceeds from the sale of treasury stock	4,645	168
Purchases of treasury stock	(124)	(8,853)
Dividends	(1,606)	(1,527)
Net cash provided by (used in) financing activities	76,351	(11,356)
Effect of exchange rate changes on cash	(301)	(1,286)
Net increase in cash and cash equivalents	$ 12,347	$ 8,250

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002
(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 four business segments: Bronze, Graphics Imaging, Marking Products, and York Casket. The Bronze segment is a leading manufacturer of cast bronze memorials and other memorialization products, crematories and cremation-related products and is a leading builder of mausoleums in the United States. 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. On December 3, 2001, the Company acquired The York Group, Inc. ("York"), a manufacturer of caskets and casket components in the United States (see Note 9). York operates as a wholly-owned subsidiary and separate segment of Matthews.

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, 2002 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2002. 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, 2001.

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., S+T GmbH & Co. KG., and up to its sale on January 19, 2001 (see Note 8), Tukaiz Communications, LLC ("Tukaiz"). All intercompany accounts and transactions have been eliminated.

In August 2001, the Board of Directors declared a two-for-one stock split on the Company's Common Stock in the form of a 100% stock distribution. Shareholder's equity has been adjusted for the stock split by reclassifying from retained earnings to common stock the par value of the additional shares arising from the split. All per share amounts and numbers of shares have been adjusted in this report to reflect the stock split.

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.

Certain reclassifications have been made in the March 31, 2001 financial statements to conform to the current period presentation.

Note 3. Long-Term Debt

On December 3, 2001, the Company entered into a Revolving Credit Facility for $125,000 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 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 $10,000) is available for the issuance of trade and standby letters of credit. In addition, the facility provides for an additional credit line for borrowings up to $10,000 at current market rates. The Revolving Credit Facility replaced the existing Revolving Credit and Term Loan Agreement. The Company borrowed $124,500 under the Revolving Credit Facility on December 3, 2001 in connection with the acquisition of York (see Note 9) and for the repayment of all amounts outstanding ($30,000) under the Revolving Credit and Term Loan Agreement. Outstanding borrowings on the Revolving Credit Facility at March 31, 2002 were $104,500. The weighted-average interest rate on outstanding borrowings at March 31, 2002 was 3.17%.

The carrying amounts of the Company's borrowings under its financing arrangements approximated their fair value.

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 of 38.6% and the Federal statutory rate of 35% primarily reflects the impact of state and foreign income taxes.

(Amounts in thousands, except per share data)

Note 5. Earnings Per Share

<TABLE>
<CAPTION>

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001	Six Months Ended March 31, 2002	Six Months Ended March 31, 2001
<S>	<C>	<C>	<C>	<C>
Net income	$ 9,633	$ 8,124	$ 14,228	$ 14,866
Weighted-average common shares outstanding	30,589	30,665	30,455	30,770
Dilutive securities, primarily stock options	1,031	621	1,139	586
Diluted weighted-average common shares outstanding	31,620	31,286	31,594	31,356
Basic earnings per share	$ .31	$ .26	$ .47	$ .48
Diluted earnings per share	$ .30	.26	$ .45	$ .47

</TABLE>

Note 6. Segment Information

The Company is organized into four business segments based on products and services. The segments, which are Bronze, Graphics Imaging, Marking Products, and York Casket, 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.

Information about the Company's segments follows:

<TABLE>
<CAPTION>

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001	Six Months Ended March 31, 2002	Six Months Ended March 31, 2001
<S>	<C>	<C>	<C>	<C>
Sales to external customers:				
Graphics Imaging	$ 23,105	$ 21,696	$ 45,772	$ 45,234
Marking Products	6,741	7,456	13,520	15,452
Bronze	46,361	37,187	90,732	72,209
York Casket	33,903	-	45,405	-
	$ 110,110	$ 66,339	$ 195,429	$ 132,895

</TABLE>

(Amounts in thousands, except per share data)

Note 6. Segment Information, continued

<TABLE>
<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	2002	2001	2002	2001
Operating profit:				
Graphics Imaging	$ 2,768	$ 6,969	$ 5,095	$ 9,560
Marking Products	1,005	(510)	1,869	1,230
Bronze	9,520	7,140	18,457	14,283
York Casket	4,008	-	5,207	-
	$ 17,301	$ 13,599	$ 30,628	$ 25,073
Operating profit, excluding special items and other one-time charges:				
Graphics Imaging	$ 2,768	$ 2,568	$ 5,095	$ 5,159
Marking Products	1,005	945	1,869	2,684
Bronze	9,520	9,077	18,457	16,221
York Casket	4,008	-	5,207	-
	$ 17,301	$ 12,590	$ 30,628	$ 24,064

</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, 2002 and 2001, comprehensive income was $9,168 and $6,029, respectively. For the six months ended March 31, 2002 and 2001, comprehensive income was $12,719 and $13,486 respectively.

Note 8. Disposition

On January 19, 2001, Matthews sold its fifty percent interest in Tukaiz. Proceeds to Matthews from the sale were approximately $18,600, which included the repayment of intercompany debt of $8,400. All intercompany debt provided by Matthews to Tukaiz, including a $5,500 Subordinated Convertible Note, was repaid upon the closing of this transaction. The sale resulted in a pre-tax gain of $7,099, which was reported in Special Items on the Consolidated Statement of Income.

Note 9. Acquisition

On May 24, 2001, Matthews and York signed a merger agreement whereby Matthews would acquire 100% of the outstanding common shares of York 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 York's

Note 9. Acquisition, continued

balance sheet as of October 31, 2001. At December 3, 2001, there were 8,940,950 shares of York common stock outstanding. On December 3, 2001, the transaction was completed at $11 per share. The acquisition of York, which is the second leading casket manufacturer in the United States, is expected to expand Matthews' position in the death care industry. York operates as a wholly-owned subsidiary and separate segment of Matthews.

(Amounts in thousands, except per share data)

The following unaudited pro-forma information presents a summary of the consolidated results of Matthews and York (including the Commemorative Products business of York acquired by Matthews on May 24, 2001) as if the acquisition had occurred on October 1, 2000:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2002	2001	2002	2001
Sales	$ 110,110	$ 115,876	$ 217,096	$ 224,548
Net Income	9,633	11,501	14,230	18,215
Earnings Per Share	0.30	0.37	0.45	0.58

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 of $1,270 and $1,924 for the six months ended March 31, 2002 and 2001, respectively. 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. Special Items

In January 2001, Matthews sold its fifty percent interest in Tukaiz (see Note 8). The sale resulted in a pre-tax gain of $7,099, which was reported in Special Items on the Consolidated Statement of Income. In the second quarter of fiscal 2001, the Company recorded asset impairments, restructuring costs and other special charges totaling approximately $6,600. The majority of these charges were classified as Special Items on the Consolidated Statement of Income, except for $1,168 million classified as selling and administrative expenses and $500 classified as other deductions.

Note 11. Goodwill

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 addresses the financial statement accounting for goodwill and other intangible assets upon acquisition and the accounting subsequent to their initial recognition in the financial statements. The Company adopted SFAS No. 142 in the first quarter of fiscal

Note 11. Goodwill, continued

2002. Under this standard, goodwill is no longer amortized, the effect of which is summarized as follows:

<TABLE>
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	Three Months Ended March 31,		Six Months Ended March 31,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Income before income taxes and accounting change, as reported	$ 15,688	$ 13,141	$ 28,425	$ 24,211
Add back: Goodwill amortization	-	733	-	1,416
Income before income taxes and accounting change, as adjusted	$ 15,688	$ 13,874	$ 28,425	$ 25,627

(Amounts in thousands, except per share data)

Net income, as reported	$ 9,633	$ 8,124	$ 14,228	$ 14,866
Add back: Effect of goodwill amortization	-	509	-	925
Net income, as adjusted	$ 9,633	$ 8,633	$ 14,228	$ 15,791
Basic earnings per share, as reported	$ 0.31	$ 0.26	$ 0.47	$ 0.48
Add back: Effect of goodwill amortization	-	0.02	-	0.03
Basic earnings per share, as adjusted	$ 0.31	$ 0.28	$ 0.47	$ 0.51
Diluted earnings per share, as reported	$ 0.30	$ 0.26	$ 0.45	$ 0.47
Add back: Effect of goodwill amortization	-	0.02	-	0.03
Diluted earnings per share, as adjusted	$ 0.30	$ 0.28	$ 0.45	$ 0.50

</TABLE>

The new standard also requires a periodic assessment of the carrying value of goodwill for impairment. If the carrying value of a reporting unit exceeds its estimated fair value, an impairment loss must be recognized. Based on this assessment, the Company recorded a pre-tax charge for transitional goodwill impairment of $5,255 million ($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 fair market value as determined by a combination of valuation techniques, including discounted cash flows. Prior to the adoption of SFAS No. 142, valuation of impairment was determined using undiscounted cash flows. This charge was applied retroactively to the beginning of the Company's fiscal year.

Note 11. Goodwill, continued

Changes to goodwill during the six-month period ended March 31, 2002, including the effects of adopting SFAS No. 142, follow.

Balance at September 30, 2001, net of accumulated amortization	$ 104,585
Additions during the period	44,412
Transitional impairment charge	(5,255)
Translation and other adjustments	(1,343)
Balance at March 31, 2002, net of accumulated amortization	142,399

The additions to goodwill during the period related primarily to the acquisition of The York Group, Inc. on December 3, 2001 (see Note 9).

Note 12. Accounting Pronouncements

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets." This pronouncement supercedes SFAS No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of," and will be effective for the Company's fiscal year beginning October 1, 2002. The Company is currently evaluating the provisions of SFAS No. 144 to determine the impact, if any, on the Company's consolidated financial statements.

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 and footnotes 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, 2001. 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 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, 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 March 31,		Years ended September 30,		
	2002	2001	2001	2000	1999
	(2)	(2)			
Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	36.8	42.4	42.2	44.2	42.3
Operating profit	15.7	18.9	18.8	17.9	16.8
Income before income taxes (1)	14.5	18.2	18.2	17.2	17.0

Net income (1)	8.9	11.2	11.2	10.5	10.3

(1) Before cumulative effect of change in accounting
(2) Fiscal 2001 included after-tax income of $300,000 ($.01 per share) from special items (see "Special Items").

Sales for the six months ended March 31, 2002 were $195.4 million and were $62.5 million, or 47.1%, higher than sales of $132.9 million for the six months ended March 31, 2001. Bronze segment sales for the first six months of fiscal 2002 were $90.7 million, or 25.7%, higher than the first half of fiscal 2001, primarily resulting from the acquisition of the commemorative products business of The York Group, Inc. (May 2001), higher mausoleum construction revenues and increased sales of bronze memorial and architectural products. Sales for the Graphics Imaging segment in the first six months of fiscal 2002 were $45.8 million, representing an increase of 1.2% from the same period a year ago. The increase primarily reflected the acquisitions of Scholler GmbH (January 2001) and Rudolf Reproflex GmbH (July 2001) partially offset by the divestiture in January 2001 of the Company's investment in Tukaiz Communications, L.L.C. ("Tukaiz"). In addition, sales for the Graphics Imaging segment's domestic operations were adversely impacted by price discounting due to competitive market conditions.

Results of Operations, continued:

Marking Products segment sales for the six months ended March 31, 2002 were $13.5 million, compared to $15.5 million for the same period last year. The decline was mainly due to a drop in demand for equipment products sold to the tire, automotive and building segments of the economy, which has been the trend during the last two fiscal years.

On December 3, 2001, Matthews completed its acquisition of The York Group, Inc. ("York"). York is the second leading casket manufacturer in the United States and is expected to have annual sales of approximately $130.0 million. York will operate as a wholly-owned subsidiary and separate segment of Matthews. Sales for the York Casket segment were $45.4 million from the acquisition date through March 31, 2002.

Gross profit for the six months ended March 31, 2002 was $71.9 million, compared to $56.4 million for the first six months of fiscal 2001. The increase in consolidated gross profit primarily resulted from the acquisition of York on December 3, 2001. Gross profit for the Bronze segment increased from the same period last year due to higher sales. Gross profit for the Graphics Imaging segment declined from the prior year principally reflecting the divestiture of Tukaiz combined with the unfavorable impact of price discounting due to competitive market conditions. These declines were offset partially by the acquisitions of Scholler GmbH and Rudolf Reproflex GmbH. Gross profit for the Marking Products segment declined as a result of lower sales volume. Consolidated gross profit as a percent of sales for the six months ended March 31, 2002 declined to 36.8%, compared to 42.4% for the same period a year ago. Factors contributing to this decline included the addition of York Casket revenues, which generally have lower margins than other Matthews segments, changes in product mix within the Bronze segment due to higher mausoleum sales and an increase in pension and health care costs for all segments.

Selling and administrative expenses for the six months ended March 31, 2002 were $41.3 million, representing an increase of $7.8 million, or 23.2%, compared to the same period a year ago. Fiscal 2001 selling and administrative expenses included special charges of $1.2 million (see "Special Items"). Excluding special charges, selling and administrative expenses increased approximately $9.0 million, or 27.7%, from the same period last year. The increase primarily resulted from the acquisition of York, including the commemorative products business. Excluding special charges, selling and administrative expenses declined in the Graphics Imaging and Marking Products segments due to cost control efforts, lower domestic sales and the divestiture of Tukaiz.

In addition, consolidated selling and administrative expenses were favorably impacted by the adoption of Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," in the first quarter of fiscal 2002. Under SFAS No. 142, the Company discontinued the amortization of goodwill effective October 1, 2001. Goodwill amortization was $1.4 million for the first six months of fiscal 2001. The operating profit impact of SFAS

No. 142 was more than offset by increases in pension and health care costs. Pension costs were unfavorably impacted by a decline in the Company's pension fund assets. Consolidated selling and administrative expenses as a percent of sales was 21.1% for the first six months of fiscal 2002 compared to 24.3% (excluding special charges) for the same period a year ago, principally due to the lower ratio of selling and administrative costs for York Casket sales.

Results of Operations, continued:

Operating profit for the six months ended March 31, 2002 was $30.6 million, representing an increase of $5.5 million, or 22.2%, over operating profit of $25.1 million for the first six months of fiscal 2001. Fiscal 2001 operating profit was favorably impacted by special items (including special charges classified as selling and administrative expenses) of $1.0 million. Excluding these special items, consolidated operating profit for the first six months of fiscal 2001 was $24.1 million. Operating profit for the York Casket segment was $5.2 million from the acquisition date through March 31, 2002. Bronze segment operating profit was $18.5 million for the first six months of fiscal 2002 compared to $16.2 million (excluding special items) for the same period a year ago. The increase in Bronze operating profit primarily reflected the acquisition of the commemorative products business of York and higher sales of memorial and architectural products. Fiscal 2002 operating profit for the Bronze segment also reflected a loss of $500,000 on the sale in March 2002 of its imported granite business. Graphics Imaging operating profit for the first six months of fiscal 2002 was $5.1 million compared to $5.2 million (excluding special items) for the same period last year. The decline was due primarily to the divestiture of Tukaiz, offset by the acquisitions of Scholler GmbH and Rudolf Reproflex GmbH. Operating profit for the Marking Products segment in the first six months of fiscal 2002 was $1.9 million, compared to $2.7 million (excluding special items) for the same period a year ago. The decline reflected lower sales and higher employee benefit costs in the current fiscal year.

Investment income for the first six months of fiscal 2002 was $1.1 million compared to $1.4 million for the first six months of fiscal 2001. The decrease resulted from a lower average cash and investment balance during the period and a lower rate of return. Interest expense for the six months ended March 31, 2002 was $2.0 million, compared to $656,000 for the first six months of fiscal 2001. The increase in interest expense reflected borrowings of $30.0 million in May 2001 for the acquisition of the commemorative products business of York, which was increased to $124.5 million in December 2001 for the acquisition of York.

Other income (deductions), net, for the six months ended March 31, 2002 represented an increase to pre-tax income of $16,000, compared to a reduction of $557,000 for the first six months of fiscal 2001. Other deductions in fiscal 2001 included a special contribution to the Company's educational and charitable trust of $500,000 (see "Special Items"). Minority interest for the first six months of fiscal 2002 was $1.3 million compared to $1.1 million for the same period a year ago. The higher minority interest deduction for the current year resulted from the acquisitions of Scholler GmbH and Rudolf Reproflex GmbH, offset partially by the divestiture of Tukaiz.

The Company's effective tax rate for the first six months of fiscal 2002 was 38.6%, compared to 38.6% for the year ended September 30, 2001. The difference between the Company's effective tax rate and the Federal statutory rate of 35% primarily reflects the impact of state and foreign income taxes.

Goodwill:

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 addresses the financial statement accounting for goodwill and other intangible assets upon acquisition and the accounting subsequent to their initial recognition in the financial statements. The Company adopted SFAS No. 142 in the first quarter of fiscal 2002. Under this standard, goodwill related to business combinations is no longer amortized, but is subject to periodic review for impairment. Excluding goodwill amortization, income before income taxes and net income for the six months ended March 31, 2001 would have been $25.6 million and $15.8 million, respectively.

The new standard also requires a periodic assessment of the carrying value of goodwill for impairment. If the carrying value of a reporting unit exceeds its estimated fair value, an impairment loss must be recognized. Based on this assessment, the Company recorded a pre-tax charge 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 fair market value as determined by a combination of valuation techniques, including discounted cash flows. Prior to the adoption of SFAS No. 142, valuation for impairment was determined using undiscounted cash flows.

Special Items:

In January 2001, Matthews sold its fifty percent interest in Tukaiz (see "Disposition"). The sale resulted in a pre-tax gain of $7.1 million, which was reported in Special Items on the Consolidated Statement of Income. In the second quarter of fiscal 2001, the Company recorded asset impairments, restructuring costs and other special charges totaling $6.6 million. The majority of these charges were classified as Special Items on the Consolidated Statement of Income, except for $1.2 million classified as selling and administrative expenses and $500,000 classified as other deductions.

Liquidity and Capital Resources:

Net cash provided by operating activities was $13.9 million for the six months ended March 31, 2002, compared to $13.7 million for the first six months of fiscal 2001. Operating cash flow for both periods primarily reflected net income adjusted for depreciation, amortization and impairment charges (non-cash expenses) and the payment of year-end compensation and profit distribution accruals. In addition, operating cash flow for the first six months of fiscal 2002 included payments under calendar year rebate programs in the York Casket segment.

Cash used in investing activities was $77.6 million for the six months ended March 31, 2002, compared to cash provided by investing activities of $7.1 million for the first six months of fiscal 2001. Investing activities for the first half of fiscal 2002 included payments (net of cash acquired) of $85.9 million in connection with the acquisitions of York (see "Acquisition") and Rudolf Reproflex GmbH. In July 2001, Matthews acquired a 75% interest in Rudolf Reproflex GmbH for DM 24 million (U.S. $11.0 million). The purchase price, which was recorded in other current liabilities at September 30, 2001, was paid in October 2001. Investing activities for the first six months of fiscal 2002 also reflected capital expenditures of $3.9 million, proceeds of

Liquidity and Capital Resources, continued:

$9.1 million from the net disposition of investment securities and proceeds of $2.0 million from the sale of the Company's imported granite business.

Investing activities for the first six months of fiscal 2001 reflected proceeds of $18.6 million from the sale of Tukaiz, which was partially offset by capital expenditures of $3.5 million and cash payments of $7.5 million in connection with the acquisitions of The SLN Group, Inc., Press Ready Plate, Inc. and Scholler GmbH. Capital spending for property, plant and equipment has averaged $9.4 million for the last three fiscal years. The capital budget of the Company for fiscal 2002 is $12.9 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash provided by financing activities for the six months ended March 31, 2002 was $76.4 million, reflecting proceeds from long-term debt of $124.5 million, debt repayments of $51.1 million and dividends of $1.6 million to the

Company's shareholders. Cash used in financing activities for the six months ended March 31, 2001 was $11.4 million, consisting of net treasury stock purchases of $8.7 million, net repayments of $1.1 million on long-term debt, and dividends of $1.5 million.

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 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. In addition, the facility provides for an additional credit line for borrowings up to $10.0 million at current market rates. 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 (see "Acquisition"), and for the repayment of all amounts outstanding under its Revolving Credit and Term Loan Agreement.

At March 31, 2002 and September 30, 2001 and 2000, the Company's current ratio was 2.2, 1.5 and 2.0, respectively. The Company had cash and cash equivalents at March 31, 2002 and September 30, 2001 of $41.0 million and $28.7 million, respectively. Net working capital at March 31, 2002 and September 30, 2001 was $75.6 million and $35.8 million, respectively. The Company believes that its current liquidity sources, combined with its operating cash flow and additional borrowing capacity, will be sufficient to meet its capital needs for the next 12 months.

Acquisition:

On May 24, 2001, Matthews and York signed a merger agreement whereby Matthews would acquire 100% of the outstanding common shares of York 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 York's balance sheet 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 common stock outstanding. York is the second leading casket manufacturer in the United States and is expected to have annual sales of approximately $130.0 million. York operates as a wholly-owned subsidiary and separate segment of Matthews.

Stock Split:

In August 2001, the Board of Directors declared a two-for-one stock split on the Company's Common Stock in the form of a 100% stock distribution. Shareholders' equity has been adjusted for the stock split by reclassifying from retained earnings to common stock the par value of the additional shares arising from the split. All per share amounts and numbers of shares have been adjusted in this report to reflect the stock split.

Critical Accounting Policies:

A summary of significant accounting policies is included in Note 2 to the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2001. 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 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 may differ from those estimates. A discussion of market risks affecting the Company can be found in Item 3 of this Form 10-Q, "Quantitative and Qualitative Disclosures about Market Risk".

Long-term Contractual Obligations and Commitments:

On March 31, 2002, the Company had outstanding borrowings of $104.5 million on its Revolving Credit Facility, which matures on November 30, 2004 (see "Liquidity and Capital Resources"). Other long-term debt (excluding short-term borrowings) consisted primarily of bank borrowings of approximately $10.5 million by Caggiati S.p.A. Annual principal payments on these borrowings approximate $900,000.

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.

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.

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) 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.

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 14, 2002. A total of 30,281,500 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 individuals were nominated for election to the Board of Directors for terms expiring at the Annual Meeting of Shareholders in the year as set forth below. The nominations were made by the Board of Directors and no other nominations were made by any shareholder. The nominees had currently been members of the Board of Directors at the date of the Annual Meeting.

Nominee	Term Expiration	Votes: For	Votes: Withhold Authority
D.M. Kelly	2005	24,708,430	2,097,220
J.D. Turner	2005	26,510,717	294,933

   The terms of the following additional directors continued after the meeting: D.J. DeCarlo, R.J. Kavanaugh, T.N. Kennedy, J.P. O'Leary, Jr., and W.J. Stallkamp.

2. Selection of Auditors:
   The shareholders voted to ratify the appointment by 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, 2002.

Votes For:	26,439,488
Votes Against:	347,854
Abstaining:	18,308

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None

(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 5/14/02 D.M. Kelly

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

Date 5/14/02 E.J. Boyle

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