

Preliminary Financials
March 31, 2014
(subject to change)
(Dollars in thousands)

INCOME STATEMENT

Statements of Income

	2nd Quarter		Year-to-Date	
	2014	2013	2014	2013
Sales	\$ 246,837	\$ 256,390	\$ 476,782	\$ 481,999
Cost of sales	(156,657)	(161,524)	(305,226)	(307,159)
Gross profit	90,180	94,866	171,556	174,840
Selling and administrative expenses	(69,288)	(69,796)	(135,668)	(133,271)
Operating profit	20,892	25,070	35,888	41,569
Investment income	353	607	1,227	840
Interest expense	(2,554)	(3,051)	(5,455)	(6,298)
Other income (deductions) , net	(790)	(1,067)	(1,772)	(2,172)
Income before income taxes	17,901	21,559	29,888	33,939
Income taxes	(6,650)	(7,504)	(10,731)	(11,881)
Net income	11,251	14,055	19,157	22,058
Net (income) loss attributable to noncontrolling interests	82	137	90	389
Net income attributable to Matthews' shareholders	\$ 11,333	\$ 14,192	\$ 19,247	\$ 22,447
Earnings per share	\$ 0.41	\$ 0.51	\$ 0.71	\$ 0.81

Segment Results

	2nd Quarter			Year-to-Date		
	2014	2013	% Change	2014	2013	% Change
Sales:						
Cemetery Products	\$ 52,858	\$ 55,690	-5.1%	\$ 102,685	\$ 108,514	-5.4%
Funeral Home Products	63,069	67,996	-7.2%	121,737	128,753	-5.4%
Cremation	9,724	12,320	-21.1%	18,589	23,422	-20.6%
Graphics Imaging	80,296	78,519	2.3%	152,950	140,954	8.5%
Marking and Fulfillment Systems	22,845	22,350	2.2%	44,368	40,265	10.2%
Merchandising Solutions	18,045	19,515	-7.5%	36,453	40,091	-9.1%
	<u>\$ 246,837</u>	<u>\$ 256,390</u>	<u>-3.7%</u>	<u>\$ 476,782</u>	<u>\$ 481,999</u>	<u>-1.1%</u>
Operating Profit:						
Cemetery Products	\$ 8,069	\$ 5,851	37.9%	\$ 14,188	\$ 12,223	16.1%
Funeral Home Products	9,141	9,751	-6.3%	15,962	17,444	-8.5%
Cremation	565	997	-43.2%	163	1,472	-88.9%
Graphics Imaging	1,310	5,510	-76.2%	2,351	5,802	-59.5%
Marking and Fulfillment Systems	1,830	2,407	-24.0%	2,970	2,783	6.7%
Merchandising Solutions	(23)	554	-104.2%	254	1,845	-86.2%
	<u>\$ 20,892</u>	<u>\$ 25,070</u>	<u>-16.7%</u>	<u>\$ 35,888</u>	<u>\$ 41,569</u>	<u>-13.7%</u>

Note 1: Non-GAAP adjustments, by segment, were as follows:

	2nd Quarter		Year-to-Date	
	2014	2013	2014	2013
Cemetery Products	\$ (212)	\$ (1,984)	\$ (570)	\$ (3,013)
Funeral Home Products	(1,299)	(360)	(2,858)	(762)
Cremation	(23)	(67)	(55)	(111)
Graphics Imaging	(3,695)	208	(4,101)	(1,242)
Marking and Fulfillment Systems	(51)	(94)	(121)	(284)
Merchandising Solutions	(415)	(107)	(807)	(175)
Operating Profit impact	<u>\$ (5,695)</u>	<u>\$ (2,404)</u>	<u>\$ (8,512)</u>	<u>\$ (5,587)</u>

BALANCE SHEETCash & Cash Equivalents

	<u>3/31/14</u>	<u>9/30/13</u>
	\$ 61,590	\$ 58,959

Accounts Receivable

	<u>3/31/14</u>	<u>9/30/13</u>
	\$ 185,274	\$ 188,405
DSO	67.6	67.6

Inventory

	<u>3/31/14</u>	<u>9/30/13</u>
	\$ 143,005	\$ 130,768

Current Ratio

	<u>3/31/14</u>	<u>9/30/13</u>
	2.5	2.2

Intangibles

	<u>3/31/14</u>	<u>9/30/13</u>
Goodwill	\$ 527,282	\$ 524,551
Other Intangibles	62,934	65,102
	<u>\$ 590,216</u>	<u>\$ 589,653</u>

Total Assets

	<u>3/31/14</u>	<u>9/30/13</u>
	\$ 1,228,061	\$ 1,215,900

Debt

	<u>3/31/14</u>	<u>9/30/13</u>
Current	\$ 23,472	\$ 23,587
Long Term	354,167	351,068
	<u>\$ 377,639</u>	<u>\$ 374,655</u>

Total Equity

	<u>3/31/14</u>	<u>9/30/13</u>
	\$ 571,221	\$ 552,930

CASH FLOWDepreciation & Amortization

	<u>2nd Quarter</u>		<u>Year-to-Date</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	\$ 9,657	\$ 9,164	\$ 18,921	\$ 17,314

Capital Expenditures

	<u>2nd Quarter</u>		<u>Year-to-Date</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	\$ 5,290	\$ 5,690	\$ 9,859	\$ 10,947

Cash Flow from Operations

	<u>2nd Quarter</u>		<u>Year-to-Date</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	\$ 11,336	\$ 22,410	\$ 23,608	\$ 30,147