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 June 30, 2008

Commission File No. 0-9115

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 NORTHSHORE CENTER, PITTSBURGH, PA (Address of principal executive offices)	15212-5851 (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 a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. Check one:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of July 31, 2008, shares of common stock outstanding were:

Class A Common Stock 30,902,160 shares

PART I - FINANCIAL INFORMATION
MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands, except per share data)

	June 30, 2008 (unaudited)		September 30, 2007	
ASSETS				
Current assets:				
Cash and cash equivalents		$ 50,855		$ 44,002
Short-term investments		63		105
Accounts receivable, net		145,354		120,882
Inventories		100,974		93,834
Deferred income taxes		1,668		1,666
Other current assets		10,518		6,025
Total current assets		309,432		266,514
Investments		10,149		12,044
Property, plant and equipment: Cost	307,578		218,921	
Less accumulated depreciation	(143,804)		(129,995)	
		163,774		88,926
Deferred income taxes		24,141		23,311
Other assets		17,830		10,670
Goodwill		363,923		318,298
Other intangible assets, net		63,462		51,306
Total assets		$ 952,711		$ 771,069
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Long-term debt, current maturities		$ 48,374		$ 27,057
Accounts payable		28,245		22,859
Accrued compensation		39,941		31,205
Accrued income taxes		19,190		5,792
Other current liabilities		48,800		36,543
Total current liabilities		184,550		123,456
Long-term debt		218,768		142,273
Accrued pension		20,484		23,629
Postretirement benefits		21,398		20,743
Deferred income taxes		10,583		11,799
Environmental reserve		7,537		7,841
Other liabilities and deferred revenue		10,355		9,227
Minority interest and minority interest arrangement		33,837		5,323
Shareholders' equity:				
Common stock	36,334		36,334	
Additional paid-in capital	43,326		41,570	
Retained earnings	492,748		467,846	
Accumulated other comprehensive income	23,799		13,390	
Treasury stock, at cost	(151,008)		(132,362)	
		445,199		426,778
Total liabilities and shareholders' equity		$ 952,711		$ 771,069

The accompanying notes are an integral part of these consolidated financial statements.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Dollar amounts in thousands, except per share data)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Sales	$ 219,270	$ 185,477	$ 599,445	$ 563,880
Cost of sales	(132,351)	(116,059)	(360,304)	(355,321)
Gross profit	86,919	69,418	239,141	208,559
Selling and administrative expenses	(50,185)	(48,289)	(141,237)	(131,601)
Operating profit	36,734	21,129	97,904	76,958
Investment income	392	880	1,395	1,730
Interest expense	(2,648)	(2,098)	(6,682)	(5,838)
Other income, net	(122)	88	246	298
Minority interest	(785)	(722)	(2,052)	(1,833)
Income before income taxes	33,571	19,277	90,811	71,315
Income taxes	(12,193)	(7,248)	(31,719)	(26,814)
Net income	$ 21,378	$ 12,029	$ 59,092	$ 44,501
Earnings per share:				
Basic	$ .69	$ .38	$ 1.91	$ 1.40
Diluted	$ .69	$ .38	$ 1.90	$ 1.40

The accompanying notes are an integral part of these consolidated financial statements.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollar amounts in thousands, except per share data)

	Nine Months Ended June 30, 2008	Nine Months Ended June 30, 2007
Cash flows from operating activities:		
Net income	$ 59,092	$ 44,501
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,200	15,445
Net loss (gain) on sale of assets	405	(1,716)
Minority interest	2,052	1,833
Stock-based compensation expense	3,821	2,578
Change in deferred taxes	(1,875)	1,462
Changes in working capital items	3,990	(19,049)
Increase in other assets	(3,780)	(1,415)
(Decrease) increase in other liabilities	(283)	253
Decrease in pension and postretirement benefits	(2,117)	(1,382)
Net cash provided by operating activities	78,505	42,510
Cash flows from investing activities:		
Capital expenditures	(7,867)	(14,198)
Proceeds from sale of assets	922	3,970
Acquisitions, net of cash acquired	(90,919)	(11,851)
Purchases of investments	(4,177)	(1,064)
Proceeds from disposition of investments	5,457	137
Net cash used in investing activities	(96,584)	(23,006)
Cash flows from financing activities:		
Proceeds from long-term debt	114,246	49,950
Payments on long-term debt	(68,343)	(40,091)
Proceeds from the sale of treasury stock	6,631	16,054
Purchases of treasury stock	(25,889)	(36,726)
Tax benefit of exercised stock options	992	3,801
Dividends	(5,581)	(5,222)
Distributions to minority interests	(1,330)	(1,367)
Net cash provided by (used in) financing activities	20,726	(13,601)
Effect of exchange rate changes on cash and cash equivalents	4,206	1,370
Net increase in cash and cash equivalents	$ 6,853	$ 7,273

The accompanying notes are an integral part of these consolidated financial statements.

(Dollar amounts in thousands, except per share data)

Note 1. Nature of Operations

Matthews International Corporation ("Matthews" or the “Company”), founded in 1850 and incorporated in Pennsylvania in 1902, is a designer, manufacturer and marketer principally of memorialization products and brand solutions. Memorialization products consist primarily of bronze memorials and other memorialization products, caskets and cremation equipment for the cemetery and funeral home industries. Brand solutions include graphics imaging products and services, marking products and merchandising solutions. The Company's products and operations are comprised of six business segments: Bronze, Casket, Cremation, Graphics Imaging, Marking Products and Merchandising Solutions. The Bronze segment is a leading manufacturer of cast bronze memorials and other memorialization products, cast and etched architectural products and is a leading builder of mausoleums in the United States. The Casket segment is a leading casket manufacturer and distributor in North America and produces a wide variety of wood and metal caskets. The Cremation segment is a leading designer and manufacturer of cremation equipment and cremation caskets primarily in North America. The Graphics Imaging segment manufactures and provides brand management, printing plates, gravure cylinders, pre-press services and imaging services for the primary packaging and corrugated industries. The Marking Products segment designs, manufactures and distributes a wide range of marking and coding equipment and consumables, and industrial automation products for identifying, tracking and conveying various consumer and industrial products, components and packaging containers. The Merchandising Solutions segment designs and manufactures merchandising displays and systems and provides creative merchandising and marketing solutions services.

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

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 and nine months ended June 30, 2008 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2008. 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, 2007. The consolidated financial statements include all domestic and foreign subsidiaries in which the Company maintains an ownership interest and has operating control. All intercompany accounts and transactions have been eliminated.

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. Inventories

Inventories consisted of the following:

	June 30, 2008	September 30, 2007
Materials and finished goods	$ 87,004	$ 86,304
Labor and overhead in process	13,970	7,530
	$ 100,974	$ 93,834

(Dollar amounts in thousands, except per share data)

Note 4. Debt

The Company has a domestic Revolving Credit Facility with a syndicate of financial institutions. The maximum amount of borrowings available under the facility is $225,000 and the facility's maturity is September 10, 2012. Borrowings under the amended facility bear interest at LIBOR plus a factor ranging from .40% to .80% 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 .15% to .25% (based on the Company's leverage ratio) of the unused portion of the facility. The Revolving Credit Facility requires the Company to maintain certain leverage 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. Outstanding borrowings on the Revolving Credit Facility at June 30, 2008 were $175,833. The weighted-average interest rate on outstanding borrowings at June 30, 2008 and 2007 was 4.38% and 5.24%, respectively.

The Company has entered into the following interest rate swaps:

Date	Initial Amount	Fixed Interest Rate	Interest Rate Spread at June 30, 2008	Equal Quarterly Payments	Maturity Date
April 2004	$50,000	2.66%	.40%	$2,500	April 2009
September 2005	50,000	4.14	.40	3,333	April 2009
August 2007	15,000	5.07	.40	-	April 2009
August 2007	10,000	5.07	.40	-	April 2009
September 2007	25,000	4.77	.40	-	September 2012
May 2008	40,000	3.72	.40	-	September 2012

The interest rate swaps have been designated as cash flow hedges of the future variable interest payments under the Revolving Credit Facility which are considered probable of occurring. Based on the Company's assessment, all of the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.

The fair value of the interest rate swaps reflected an unrealized loss of $1,289 ($786 after tax) at June 30, 2008 that is included in shareholders' equity as part of accumulated other comprehensive income. Assuming market rates remain constant with the rates at June 30, 2008, approximately $463 of the $786 loss included in accumulated other comprehensive income is expected to be recognized in earnings as an adjustment to interest expense over the next twelve months.

The Company, through its German holding companies, has a credit facility with a European bank. On May 2, 2008, the maximum amount of borrowings available under this facility was increased from 10.0 million Euros to 25.0 million Euros ($39,360). At June 30, 2008, outstanding borrowings under the credit facility totaled 17.5 million Euros ($27,552). The weighted-average interest rate on outstanding borrowings under this facility at June 30, 2008 and 2007 was 5.88% and 4.20%, respectively.

The Company, through its subsidiary, Saueressig GmbH & Co. KG ("Saueressig"), has several loans with various European banks. Outstanding borrowings on these loans totaled 12.1 million Euros ($18,986) at June 30, 2008. The weighted-average interest rate on outstanding borrowings of Saueressig at June 30, 2008 was 5.76%.

The Company, through its wholly-owned subsidiary, Matthews International S.p.A., has several loans with various Italian banks. Outstanding borrowings on these loans totaled 16.1 million Euros ($25,304) at June 30, 2008. Matthews International S.p.A. also has four lines of credit totaling 8.4 million Euros ($13,178) with the same Italian banks. Outstanding borrowings on these lines were 2.2 million Euros ($3,476) at June 30, 2008. The weighted-average interest rate on outstanding borrowings of Matthews International S.p.A. at June 30, 2008 and 2007 was 3.92% and 3.26%, respectively.

Note 5. Comprehensive Income

Comprehensive income consists of net income adjusted for changes, net of the related income tax effect, in cumulative foreign currency translation, the fair value of derivatives, unrealized investment gains and losses and pension and postretirement liabilities. For the three months ended June 30, 2008 and 2007, comprehensive income was $23,318 and $14,685, respectively. For the nine months ended June 30, 2008 and 2007, comprehensive income was $69,499 and $53,490, respectively.

Note 6. Share-Based Payments

The Company maintains a stock incentive plan (the “1992 Incentive Stock Plan”) that provided for grants of stock options, restricted shares and certain other types of stock-based awards. In February 2008, the Company’s shareholders approved the adoption of a new plan, the 2007 Equity Incentive Plan (the “2007 Plan”), that provides for the grants of stock options, restricted shares, stock-based performance units and certain other types of stock-based awards. Under the 2007 Plan, which has a ten-year term, the maximum number of shares available for grants or awards is an aggregate of 2,200,000. There will be no further grants under the 1992 Incentive Stock Plan. At June 30, 2008, there were 2,200,000 shares reserved for future issuance under the 2007 Plan. Both plans are administered by the Compensation Committee of the Board of Directors.

The option price for each stock option granted under either plan may not be less than the fair market value of the Company's common stock on the date of grant. Outstanding stock options are generally exercisable in one-third increments upon the attainment of 10%, 33% and 60% appreciation in the market value of the Company’s Class A Common Stock. In addition, options generally vest in one-third increments after three, four and five years, respectively, from the grant date (but, in any event, not until the attainment of the market value thresholds). The options expire on the earlier of ten years from the date of grant, upon employment termination, or within specified time limits following voluntary employment termination (with the consent of the Company), retirement or death. The Company generally settles employee stock option exercises with treasury shares. With respect to outstanding restricted share grants, generally one-half of the shares vest on the third anniversary of the grant. The remaining one-half of the shares vest in one-third increments upon attainment of 10%, 25% and 40% appreciation in the market value of the Company’s Class A Common Stock. Unvested restricted shares generally expire on the earlier of five years from the date of grant, upon employment termination, or within specified time limits following voluntary employment termination (with the consent of the Company), retirement or death. The Company issues restricted shares from treasury shares.

For the three-month periods ended June 30, 2008 and 2007, total stock-based compensation cost totaled $1,274 and $858, respectively. For the nine-month periods ended June 30, 2008 and 2007, total stock-based compensation cost totaled $3,821 and $2,578, respectively. The associated future income tax benefit recognized was $497 and $335 for the three-month periods ended June 30, 2008 and 2007, respectively, and was $1,490 and $1,005 for the nine-month periods ended June 30, 2008 and 2007, respectively.

For the three-month periods ended June 30, 2008 and 2007, the amount of cash received from the exercise of stock options was $1,233 and $10,274, respectively. For the nine-month periods ended June 30, 2008 and 2007, the amount of cash received from the exercise of stock options was $6,631 and $16,054, respectively. In connection with these exercises, the tax benefits realized by the Company for the three-month periods ended June 30, 2008 and 2007 were $123 and $3,660, respectively, and the tax benefits realized by the Company for the nine-month periods ended June 30, 2008 and 2007 were $1,792 and $5,892, respectively.

(Dollar amounts in thousands, except per share data)

Note 6. Share-Based Payments (continued)

Changes to restricted stock for the nine months ended June 30, 2008 were as follows:

Restricted stock	Shares	Weighted-average grant-date fair value
Non-vested at September 30, 2007	9,249	$ 40.56
Granted	133,565	38.83
Vested	(22,106)	38.54
Expired or forfeited	(7,740)	38.56
Non-vested at June 30, 2008	112,968	$ 39.05

As of June 30, 2008, the total unrecognized compensation cost related to unvested restricted stock was $2,926 and is expected to be recognized over a weighted average period of 2.1 years.

The transactions for shares under options for the nine months ended June 30, 2008 were as follows:

Option shares	Shares	Weighted-average exercise price	Weighted-average remaining contractual term	Aggregate intrinsic value
Outstanding, September 30, 2007	2,100,577	$ 33.60		
Granted	-	-		
Exercised	(238,323)	27.82		
Expired or forfeited	(98,828)	37.40		
Outstanding, June 30, 2008	1,763,426	$ 34.17	6.6	$ 19,563
Exercisable, June 30, 2008	727,258	$ 29.54	5.5	$ 11,433

The weighted-average grant date fair value of options granted for the nine months ended June 30, 2007 was $12.29. The fair value of shares earned during the three-month periods ended June 30, 2008 and 2007 was $1,312 and $1,217, respectively, and $4,906 and $4,518 during the nine-month periods ended June 30, 2008 and 2007, respectively. The intrinsic value of options (which is the amount by which the stock price exceeded the exercise price of the options on the date of exercise) exercised during the nine-month periods ended June 30, 2008 and 2007 was $4,895 and $15,127, respectively.

The transactions for non-vested options for the nine months ended June 30, 2008 were as follows:

Non-vested shares	Shares	Weighted-average grant-date fair value
Non-vested at September 30, 2007	1,642,201	$ 10.87
Granted	-	-
Vested	(508,872)	9.64
Expired or forfeited	(97,161)	10.96
Non-vested at June 30, 2008	1,036,168	$ 11.46

As of June 30, 2008, the total unrecognized compensation cost related to non-vested stock options was approximately $3,563. This cost is expected to be recognized over a weighted-average period of 2.9 years in accordance with the vesting periods of the options.

(Dollar amounts in thousands, except per share data)

Note 6. Share-Based Payments (continued)

The fair value of each option and restricted stock grant is estimated on the date of grant using a binomial lattice valuation model. The following table indicates the assumptions used in estimating fair value of stock options (fiscal 2007) and restricted stock (fiscal 2008) for the nine months ended June 30, 2008 and 2007.

	Nine Months Ended June 30, 2008	Nine Months Ended June 30, 2007
Expected volatility	24.0%	24.0%
Dividend yield	.6%	.6%
Average risk free interest rate	3.6%	4.7%
Average expected term (years):		
Restricted shares	2.3	-
Stock options	-	6.3

The risk free interest rate is based on United States Treasury yields at the date of grant. The dividend yield is based on the most recent dividend payment and average stock price over the 12 months prior to the grant date. Expected volatilities are based on the historical volatility of the Company's stock price. The expected term for the quarter ended June 30, 2007 represents an estimate of the period of time options are expected to remain outstanding. The expected term for the quarter ended June 30, 2008 represents an estimate of the average period of time for restricted shares to vest. Separate employee groups and option characteristics are considered separately for valuation purposes.

Under the Company's Director Fee Plan, directors (except for the Chairman of the Board) who are not also officers of the Company each receive, as an annual retainer fee, either cash or shares of the Company's Class A Common Stock equivalent to $30. The equivalent amount paid to a non-employee Chairman of the Board is $100. Where the annual retainer fee is provided in shares, each director may elect to be paid these shares on a current basis or have such shares credited to a deferred stock account as phantom stock, with such shares to be paid to the director subsequent to leaving the Board. Directors may also elect to receive the common stock equivalent of meeting fees credited to a deferred stock account. The value of deferred shares is recorded in other liabilities. A total of 37,946 shares had been deferred under the Director Fee Plan at June 30, 2008. Additionally, directors who are not also officers of the Company each receive an annual stock-based grant (non-statutory stock options, stock appreciation rights and/or restricted shares) with a value of $50. A total of 22,300 stock options have been granted under the plan. At June 30, 2008, 21,300 options were outstanding and vested. Additionally, 21,600 shares of restricted stock have been granted under the plan, 15,400 of which were unvested at June 30, 2008. A total of 300,000 shares have been authorized to be issued under the Director Fee Plan.

Note 7. Earnings Per Share

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Nine Months Ended June 30, 2008	Nine Months Ended June 30, 2007
Net income	$ 21,378	$ 12,029	$ 59,092	$ 44,501
Weighted-average common shares outstanding	30,917,136	31,649,972	30,956,850	31,690,309
Dilutive securities, primarily stock options	123,977	65,618	128,284	163,328
Diluted weighted-average common shares outstanding	31,041,113	31,715,590	31,085,134	31,853,637
Basic earnings per share	$ .69	$ .38	$ 1.91	$ 1.40
Diluted earnings per share	$ .69	$ .38	$ 1.90	$ 1.40

(Dollar amounts in thousands, except per share data)

Note 8. Pension and Other Postretirement Benefit Plans

The Company provides defined benefit pension and other postretirement plans to certain employees. Net periodic pension and other postretirement benefit cost for the plans included the following:

	Pension		Other Postretirement	
Three months ended June 30,	2008	2007	2008	2007
Service cost	$ 1,016	$ 1,003	$ 146	$ 133
Interest cost	1,744	1,640	348	297
Expected return on plan assets	(1,836)	(1,612)	-	-
Amortization:				
Prior service cost	4	3	(322)	(322)
Net actuarial loss	317	385	122	72
Net benefit cost	$ 1,245	$ 1,419	$ 294	$ 180

	Pension		Other Postretirement	
Nine months ended June 30,	2008	2007	2008	2007
Service cost	$ 3,048	$ 3,009	$ 438	$ 399
Interest cost	5,232	4,920	1,044	891
Expected return on plan assets	(5,508)	(4,836)	-	-
Amortization:				
Prior service cost	12	9	(966)	(966)
Net actuarial loss	951	1,155	366	216
Net benefit cost	$ 3,735	$ 4,257	$ 882	$ 540

Benefit payments under the Company's principal retirement plan are made from plan assets, while benefit payments under the postretirement benefit plan are made from the Company's operating funds. Under IRS regulations, the Company is not required to make any significant contributions to its principal retirement plan in fiscal year 2008. In June 2008, the Company made a $5,000 contribution to its principal retirement plan. As of June 30, 2008, contributions of $436 and $757 have been made under the supplemental retirement plan and postretirement plan, respectively. The Company currently anticipates contributing an additional $438 and $320 under the supplemental retirement plan and postretirement plan, respectively, for the remainder of fiscal 2008.

Note 9. 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 Company's effective tax rate for the nine months ended June 30, 2008 was 34.9%, compared to 37.6% for the first nine months of fiscal 2007. The decrease primarily resulted from the impact of a $1.9 million reduction in net deferred tax liabilities in the first quarter of fiscal 2008 to reflect the enactment of lower statutory income tax rates in Europe. Excluding the one-time adjustment to deferred taxes, the Company's effective tax rate was 37.0%, compared to 37.6% for fiscal 2007, reflecting the impact of lower statutory income tax rates in Europe and the U. S. Federal manufacturing credit. The difference between the Company's effective tax rate and the Federal statutory rate of 35.0% primarily reflected the impact of state and foreign income taxes.

On October 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standard

(Dollar amounts in thousands, except per share data)

Note 9. Income Taxes (continued)

("SFAS") No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FIN 48 did not have a material effect on the Company's financial statements.

As of the date of adoption, the Company had $7,400 of unrecognized tax benefits, all of which, if recorded, would impact the 2008 annual effective tax rate. It is reasonably possible that the amount of unrecognized tax benefits could change by approximately $800 in the next 12 months primarily due to expiration of statutes related to specific tax positions.

Upon adoption of FIN 48, the Company included an estimate of $2,900 related to penalties and interest that may potentially be applicable in the event of an unfavorable outcome of uncertain tax positions. Changes in this estimate are included as a component of the provision for income taxes in the Consolidated Statements of Income.

The Company is currently under examination in several tax jurisdictions and remains subject to examination until the statute of limitations expires for those tax jurisdictions. As of June 30, 2008, the tax years that remain subject to examination by major jurisdiction generally are:

United States – Federal and State	2005 and forward
Canada	2004 and forward
Europe	2002 and forward
United Kingdom	2006 and forward
Australia	2003 and forward

Note 10. Segment Information

The Company's products and operations consist of two principal businesses that are comprised of three operating segments each, as described under Nature of Operations (Note 1): Memorialization Products (Bronze, Casket, Cremation) and Brand Solutions (Graphics Imaging, Marking Products, Merchandising Solutions). 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:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Sales to external customers:				
Memorialization:				
Bronze	$ 66,949	$ 61,738	$ 182,063	$ 168,325
Casket	53,754	49,262	170,927	161,930
Cremation	6,752	6,212	19,561	19,507
	127,455	117,212	372,551	349,762
Brand Solutions:				
Graphics Imaging	58,309	36,725	131,815	107,366
Marking Products	15,701	14,149	45,319	41,926
Merchandising Solutions	17,805	17,391	49,760	64,826
	91,815	68,265	226,894	214,118
	$ 219,270	$ 185,477	$ 599,445	$ 563,880

(Dollar amounts in thousands, except per share data)

Note 10. Segment Information (continued)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Operating profit:				
Memorialization:				
Bronze	$ 20,716	$ 19,093	$ 50,603	$ 46,618
Casket	5,541	(3,820)	20,308	7,668
Cremation	1,240	970	3,611	2,961
	27,497	16,243	74,522	57,247
Brand Solutions:				
Graphics Imaging	5,392	2,540	12,851	8,065
Marking Products	2,329	2,375	6,037	6,844
Merchandising Solutions	1,516	(29)	4,494	4,802
	9,237	4,886	23,382	19,711
	$ 36,734	$ 21,129	$ 97,904	$ 76,958

Note 11. Acquisitions

In May 2008, the Company acquired a 78% interest in Saueressig. Saueressig is headquartered in Vreden, Germany and has its principal manufacturing operations in Germany, Poland and the United Kingdom. The transaction was structured as an asset purchase with a preliminary purchase price of approximately 75.7 million Euros ($118,200), which included cash plus assumed debt. The cash portion of the transaction was funded principally through borrowings under the Company's existing credit facilities. The acquisition is designed to expand Matthews' products and services in the global graphics imaging market.

In addition, the Company entered into an option agreement related to the remaining 22% interest in Saueressig. The option agreement contains certain put and call provisions for the purchase of the remaining 22% interest in future years at a price to be determined by a specified formula based on future operating results of Saueressig. The Company has accounted for this agreement under Emerging Issues Task Force Abstract Topic No. D-98 ("EITF D-98"). In accordance with EITF D-98, the initial carrying value of minority interest was adjusted to the estimated future purchase price ("Redemption Value") of the minority interest, with a corresponding charge to retained earnings. For subsequent periods, the carrying value of minority interest reflected on the Company's balance sheet will be adjusted for changes in Redemption Value, with a corresponding adjustment to retained earnings. Under EITF D-98, to the extent Redemption Value in future periods is less than or greater than the estimated fair value of the minority interest, income available to common shareholders in the determination of earnings per share will increase or decrease, respectively, by such amount. However, income available to common shareholders will only increase to the extent that a decrease was previously recognized. In any case, net income will not be affected by such amounts. At June 30, 2008, Redemption Value was equal to fair value, and there was no impact on income available to common shareholders.

The Company has made an initial estimation of the fair value of the assets acquired and liabilities assumed in the Saueressig acquisition. Operating results of the acquired business have been included in the consolidated statement of income from the acquisition date forward.

The following table summarizes the fair value of major assets and liabilities of Saueressig at the date of acquisition.

(Dollar amounts in thousands, except per share data)

Note 11. Acquisitions (continued)

Cash	$	504
Trade receivables		22,362
Inventory		11,925
Other current assets		1,061
Property, plant and equipment		80,455
Goodwill		35,824
Intangible assets		14,737
Other assets		3,581
Total assets acquired		170,449
Trade accounts payable		4,925
Debt		49,161
Other liabilities		22,591
Minority interest		2,849
Total liabilities assumed		79,526
Net assets acquired	$	90,923

The estimated fair value of the acquired intangible assets of Saueressig include trade names with an assigned value of $3,130, customer relationships with an assigned value of $10,609, and technology and non-compete values of approximately $998. Upon final determination of the valuation and useful lives, the intangible assets are expected to be amortized between 2 and 20 years.

The following unaudited pro-forma information presents a summary of the consolidated results of Matthews combined with Saueressig as if the acquisition had occurred on October 1, 2006:

	Three Months Ended June 30		Nine Months Ended June 30	
	2008	2007	2008	2007
Sales	$ 233,026	$ 213,949	$ 682,219	$ 660,040
Income before income taxes	32,797	19,635	89,394	73,151
Net income	20,852	12,363	57,955	46,300
Earnings per share	$ .67	$ .39	$ 1.86	$ 1.45

In July 2007, The York Group, Inc. (“York”), a wholly-owned subsidiary of the Company, reached a settlement agreement with Yorktowne Caskets, Inc. and its shareholders (collectively “Yorktowne”) with respect to all outstanding litigation between the parties. In exchange for the mutual release, the principal terms of the settlement included the assignment by Yorktowne of certain customer and employment-related contracts to York and the purchase by York of certain assets, including York-product inventory, of Yorktowne.

In June 2007, the Company acquired a 60% interest in Beijing Kenuohua Electronic Technology Co., Ltd., (“Kenuohua”), an ink-jet equipment manufacturer, headquartered in Beijing, China. The acquisition was structured as a stock purchase. The acquisition was intended to expand Matthews’ marking products manufacturing and distribution capabilities in Asia.

In December 2006, the Company paid additional purchase consideration of $7,000 under the terms of the Milso Industries (“Milso”) acquisition agreement.

(Dollar amounts in thousands, except per share data)

Note 12. Goodwill and Other Intangible Assets

Goodwill related to business combinations is not amortized but is subject to annual 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 impairment the Company uses a combination of valuation techniques, including discounted cash flows. 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. The Company performed its annual impairment review in the second quarter of fiscal 2008 and determined that no additional adjustments to the carrying values of goodwill were necessary.

Changes to goodwill, net of accumulated amortization, for the nine months ended June 30, 2008, were as follows:

	Bronze	Casket	Cremation	Graphics Imaging	Marking Products	Merchandising Solutions	Consolidated
Balance at September 30, 2007	$ 77,375	$ 120,555	$ 6,536	$ 95,632	$ 9,062	$ 9,138	$ 318,298
Additions during period	-	882	-	35,824	151	-	36,857
Dispositions				(161)			(161)
Translation and other adjustments	2,797	-	-	5,762	370	-	8,929
Balance at June 30, 2008	$ 80,172	$ 121,437	$ 6,536	$ 137,057	$ 9,583	$ 9,138	$ 363,923

The addition to Graphics relates to the purchase of a 78% interest in Saueressig which is expected to be deductible for tax purposes. The additions to Casket goodwill during fiscal 2008 related primarily to additional consideration paid in accordance with the purchase agreement with Royal Casket Company. The addition to Marking Products goodwill related to the purchase of a 60% interest in Kenuohua.

The following tables summarize the carrying amounts and related accumulated amortization for intangible assets as of June 30, 2008 and September 30, 2007, respectively.

	Carrying Amount	Accumulated Amortization	Net
June 30, 2008:			
Trade names	$ 25,931	$ -*	$ 25,931
Trade names	3,156	(93)	3,063
Customer relationships	35,851	(5,251)	30,600
Copyrights/patents/other	8,309	(4,441)	3,868
	$ 73,247	$ (9,785)	$ 63,462
September 30, 2007:			
Trade names	$ 26,140	$ -*	$ 26,140
Customer relationships	25,215	(3,977)	21,238
Copyrights/patents/other	7,382	(3,454)	3,928
	$ 58,737	$ (7,431)	$ 51,306

* Not subject to amortization

The change in intangible assets during the quarter ended June 30, 2008 was due to the acquisition of Saueressig, the impact of fluctuations in foreign currency exchange rates on intangible assets denominated in foreign currencies and additional amortization.

Note 12. Goodwill and Other Intangible Assets (continued)

Amortization expense on intangible assets was $1,072 and $554 for the three-month periods ended June 30, 2008 and 2007, respectively. For the nine-month periods ended June 30, 2008 and 2007, amortization expense was $2,555 and $1,490, respectively. Amortization expense is estimated to be $3,508 in 2008, $3,976 in 2009, $3,098 in 2010, $2,915 in 2011 and $2,484 in 2012.

Note 13. Accounting Pronouncements

In June 2006, the FASB issued FIN 48 which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Any resulting cumulative effect of applying the provisions of FIN 48 upon adoption will be reported as an adjustment to beginning retained earnings in the period of adoption. The Company adopted FIN 48 as of October 1, 2007 which did not have a material effect on the financial statements. See Note 9 for additional disclosures related to the adoption of FIN 48.

Effective September 30, 2007, the Company adopted the recognition and related disclosure provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" ("SFAS No. 158") which amends SFAS No. 87, No. 88, No. 106 and No. 132(R). SFAS No. 158 requires the Company to measure the plan assets and benefit obligations of defined benefit postretirement plans as of the date of its year-end balance sheet. This provision of the SFAS No. 158 is effective for public companies for fiscal years beginning after December 15, 2008. The Company currently measures plan assets and benefit obligations as of July 31 of each year. The Company is considering the implications of this provision and the feasibility of earlier adoption of this portion of the statement. Upon adoption, this provision is not expected to have a material effect on the financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, however, for non-financial assets and liabilities the effective date has been extended to fiscal years beginning after November 15, 2008. The Company is currently evaluating the impact of the adoption of SFAS No. 157.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations" ("SFAS No. 141(R)"). SFAS No. 141(R) requires recognition and measurement of the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in a business combination, goodwill acquired or a gain from a bargain purchase. The Statement is effective for fiscal years beginning on or after December 15, 2008 and is to be applied prospectively. Earlier adoption is not permitted. The Company is currently evaluating the impact of the adoption of SFAS No. 141(R).

In December 2007, the FASB issued SAFS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS No. 160"). SFAS No. 160 amends Accounting Research Bulletin 51 and establishes accounting and reporting standards for the noncontrolling interest in a subsidiary. The Statement requires that consolidated net income reflect the amounts attributable to both the parent and the noncontrolling interest, and also includes additional disclosure requirements. The Statement is effective for fiscal years beginning on or after December 15, 2008 and is to be applied prospectively as of the beginning of the fiscal year in which the Statement is initially applied, except for the presentation and disclosure requirements which shall be applied retrospectively for all periods presented. Earlier adoption is not permitted. The Company is currently evaluating the impact of the adoption of SFAS No. 160.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"). SFAS No. 161 amends and expands the disclosure requirements of FASB Statement 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133") to require qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit risk-related contingent features in derivative agreements. The Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Early application is encouraged. The Company is currently evaluating the impact of the adoption of SFAS No. 161.

Cautionary Statement:

The following discussion should be read in conjunction with the consolidated financial statements of Matthews International Corporation ("Matthews" or the "Company") 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, 2007. 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 foreign currency exchange rates, changes in commodity prices and the related cost of materials used in the manufacture of the Company's products, 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 domestic or international competitive pressures, unknown risks in connection with the Company's acquisitions and technological factors beyond the Company's control. In addition, although the Company does not have any customers that would be considered individually significant to consolidated sales, changes in the distribution of the Company's products or the potential loss of one or more of the Company's larger customers are also considered risk factors.

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.

	Nine months ended June 30,		Years ended September 30,	
	2008	2007	2007	2006
Sales	100.0%	100.0%	100.0%	100.0%
Gross profit	39.9%	37.0%	37.4%	38.0%
Operating profit	16.3%	13.6%	14.9%	15.9%
Income before taxes	15.2%	12.6%	13.8%	14.7%
Net income	9.9%	7.9%	8.6%	9.3%

Sales for the nine months ended June 30, 2008 were $599.4 million, compared to $563.9 million for the nine months ended June 30, 2007. The increase principally reflected higher sales in the Company's Memorialization businesses, the acquisition of a 78% interest in Saueressig GmbH & Co. KG ("Saueressig"), a manufacturer of gravure printing cylinders, in May 2008 and the effect of higher foreign currency values against the U.S. dollar. These increases were partially offset by the absence of a large one-time Merchandising Solutions project completed in the second quarter a year ago (which exceeded $10 million in revenue) and the sale of the segment's marketing consultancy business in August 2007. For the nine months ended June 30, 2008, changes in foreign currency values against the U.S. dollar had a favorable impact of approximately $20.5 million on the Company's consolidated sales compared to the nine months ended June 30, 2007.

In the Memorialization businesses, Bronze segment sales for the first nine months of fiscal 2008 were $182.1 million compared to $168.3 million for the first nine months of fiscal 2007. The increase primarily reflected higher selling prices and increases in the value of foreign currencies against the U.S. dollar, partially offset by a decline in the volume of memorial products. Sales for the Casket segment were $170.9 million for the first nine months of fiscal 2008 compared to $161.9 million for the same period in fiscal 2007. The increase resulted primarily from an increase in unit volume and higher average selling prices. The higher selling prices reflected the transition to direct distribution in certain territories and increased net price realization. Sales for the Cremation segment were $19.6 million for the nine months of fiscal 2008 compared to $19.5 million for the same period a year ago. The increase primarily reflected higher cremation equipment, services and repair revenues, partially offset by lower sales of cremation caskets. In the Company's Brand Solutions businesses, sales for the Graphics Imaging segment in the first nine months of fiscal 2008 were $131.8 million, compared to $107.4 million for the same period a year ago. The increase primarily reflected the acquisition of Saueressig, an increase in the value of foreign currencies against the U.S. dollar and higher sales in both the German and U.S. markets. These increases were partially offset by lower sales in the U.K. market. Marking Products segment sales for the nine months ended June 30, 2008 were $45.3 million, compared to $41.9 million for the first nine months of fiscal 2007. The increase was due mainly to the acquisition of Beijing Kenouhua Electronic Technology Co., Ltd. ("Kenuohua"), in June 2007 and an increase in the value of foreign currencies against the U.S. dollar. These increases were offset partially by lower product demand in the U.S. market, reflecting a slowdown in several of the segment's markets, including the building products and materials handling markets. Sales for the Merchandising Solutions segment were $49.8 million for the first nine months of fiscal 2008, compared to $64.8 million for the same period a year ago. The decrease is attributable to a significant one-time project for one of the segment's customers in the second quarter of fiscal 2007, which exceeded $10.0 million in revenue and did not repeat in fiscal 2008, and the sale of the segment's marketing consultancy business in August 2007.

Gross profit for the nine months ended June 30, 2008 was $239.1 million, compared to $208.6 million for the nine months ended June 30, 2007. Consolidated gross profit as a percent of sales increased from 37.0% for the first nine months of fiscal 2007 to 39.9% for the first nine months of fiscal 2008. The increase in consolidated gross profit primarily reflected the impact of higher sales, higher foreign currency values against the U.S. dollar, the expansion to direct distribution by the Casket segment, the acquisition of Saueressig and the effects of cost structure initiatives implemented in the last half of 2007 in several of the Company's businesses. These gains were partially offset by the effects of lower Graphics Imaging segment sales in the U.K. markets and lower sales in the domestic Marking Products business and the Merchandising Solutions segment. Additionally, fiscal 2007 gross profit was impacted by special charges incurred in several of the Company's segments.

Selling and administrative expenses for the nine months ended June 30, 2008 were $141.2 million, compared to $131.6 million for the first nine months of fiscal 2007. Consolidated selling and administrative expenses as a percent of sales were 23.6% for the nine months ended June 30, 2008, compared to 23.3% for the same period last year. The increases in costs and percentage of sales primarily resulted from the continued expansion of the Casket segment's direct distribution capabilities, the acquisition of Saueressig, and increases in the values of foreign currencies against the U.S. dollar. The first nine months of fiscal 2007 included special charges incurred in several of the Company's segments, the most significant of which was the Casket segment charge related to the resolution of employment agreements from the Milso Industries acquisition.

Operating profit for the nine months ended June 30, 2008 was $97.9 million, compared to $77.0 million for the nine months ended June 30, 2007. Bronze segment operating profit for the first nine months of fiscal 2008 was $50.6 million, compared to $46.6 million for the same period in fiscal 2007. The increase reflected the impact of higher sales and increases in the value of foreign currencies against the U.S. dollar. Operating profit for the Casket segment for the first nine months of fiscal 2008 was $20.3 million, compared to $7.7 million for the first nine months of fiscal 2007. Casket segment operating profit for the first nine months of fiscal 2007 reflected special charges of approximately $10.0 million, including costs related to the resolution of employment agreements from the Milso Industries acquisition (acquired in July 2005) and severance costs related to certain cost reduction initiatives. Excluding these special charges from a year ago, the Casket segment's fiscal 2008 operating profit improved compared to fiscal 2007, reflecting higher sales and the favorable impact of the fiscal 2007 cost structure initiatives. Cremation segment operating profit for the nine months ended June 30, 2008 was $3.6 million, compared to $3.0 million for the same period a year ago. The increase primarily reflected the favorable impact of higher sales and cost control efforts. The Graphics Imaging segment operating profit for the nine months ended June 30, 2008 was $12.9 million, compared to $8.1 million for the nine months ended June 30, 2007. The increase primarily reflected the favorable impact of higher foreign currency values against the U.S. dollar and cost reduction initiatives implemented in the U.S. and U.K operations in fiscal 2007. In addition, Graphics Imaging operating profit in the first nine months of fiscal 2007 included special charges (principally severance costs) of approximately $2.2 million related to those cost reduction initiatives. Operating profit for the Marking Products segment for the first nine months of fiscal 2008 was $6.0 million, compared to $6.8 million for the same period a year ago. The decrease primarily reflected the impact of lower domestic sales, offset partially by the acquisition of Kenuohua. The Merchandising Solutions segment operating profit was $4.5 million for the nine months ended June 30, 2008, compared to $4.8 million for the same period in fiscal 2007. The decrease primarily reflected the sale of the segment’s marketing consultancy business in August 2007 and lower sales attributable to the absence of a significant one-time project for one of the segment’s customers completed in the second quarter of fiscal 2007. These decreases were partially offset by productivity and cost reduction initiatives, and year-to-date operating margins improved to 9.0% in fiscal 2008 compared to 7.4% in fiscal 2007. For the nine months ended June 30, 2008, changes in foreign currency values against the U.S. dollar had a favorable impact of approximately $3.6 million on the Company’s consolidated operating profit compared to the nine months ended June 30, 2007.

Investment income for the nine months ended June 30, 2008 was $1.4 million, compared to $1.7 million for the nine months ended June 30, 2007. The decrease reflected lower average levels of invested funds and a decline in investment performance. Interest expense for the first nine months of fiscal 2008 was $6.7 million, compared to $5.8 million for the same period last year. The increase in interest expense primarily reflected higher average debt levels and higher average interest rates during the fiscal 2008 nine-month period compared to the same period in fiscal 2007. The higher debt level resulted from borrowings related to the Saueressig acquisition in May 2008.

Other income, net, for the nine months ended June 30, 2008 was $246,000, compared to $298,000 for the same period last year. Minority interest deduction was $2.1 million for the first nine months of fiscal 2008, compared to $1.8 million for the same period in fiscal 2007. The increase in the minority interest deduction primarily reflected the acquisition of Kenuohua in June 2007.

The Company's effective tax rate for the three months ended June 30, 2008 was 36.3%, compared to 37.6% for the third quarter of fiscal 2007 and for the full fiscal year ended September 30, 2007. The Company’s effective tax rate for the first nine months of fiscal 2008 was 34.9%, compared to 37.6% for the same period last year. The decrease in the effective tax rate for the three-month period in fiscal 2008 primarily reflected lower statutory income tax rates in Europe and the impact of the U.S. Federal manufacturing credit. The decrease in the nine-month period in fiscal 2008 also reflected the impact of a $1.9 million reduction in net deferred tax liabilities to reflect the enactment of the lower statutory income tax rates in Europe. Excluding the one-time adjustment to deferred taxes, the Company’s effective tax rate for the first nine months of fiscal 2008 was 37.0%. The difference between the Company's effective tax rate and the Federal statutory rate of 35.0% primarily reflected the impact of state and foreign income taxes.

Goodwill:

Goodwill related to business combinations is not amortized, but is subject to annual 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 impairment, the Company uses a combination of valuation techniques, including discounted cash flows. The Company performed its annual impairment review in the second quarter of fiscal 2008 and determined that no additional adjustments to the carrying values of goodwill were necessary.

Liquidity and Capital Resources:

Net cash provided by operating activities was $78.5 million for the nine months ended June 30, 2008, compared to $42.5 million for the first nine months of fiscal 2007. Operating cash flow for both periods primarily reflected net income adjusted for non-cash charges (depreciation, amortization, stock-based compensation expense increases in deferred taxes and minority interest), and changes in working capital items. Cash flow generated by working capital changes in the first nine months of fiscal 2008 primarily reflected decreases in accounts receivable and inventory resulting from working capital management initiatives in several segments. Working capital changes in the first nine months of fiscal 2007 primarily reflected an increase in inventory resulting from the expansion of the Company’s casket distribution capabilities.

Cash used in investing activities was $96.6 million for the nine months ended June 30, 2008, compared to $23.0 million for the nine months ended June 30, 2007. Investing activities for the first nine months of fiscal 2008 primarily included acquisitions (principally Saueressig) of $90.9 million, capital expenditures of $7.9 million, purchases of investments of $4.2 million and proceeds from the sale of investments of $5.5 million. Investing activities for the first nine months of fiscal 2007 primarily included capital expenditures of $14.2 million, acquisition-related payments of $11.9 million, purchases of investment of $1.1 million and proceeds from the disposal of assets of $3.9 million.

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 $22.7 million for the last three fiscal years. The capital budget for fiscal 2008 is $25.2 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash provided by financing activities for the nine months ended June 30, 2008 was $20.7 million, reflecting proceeds, net of repayments, from long-term debt of $45.9 million, purchases of treasury stock of $25.9 million, proceeds of $6.6 million from the sale of treasury stock (stock option exercises), a tax benefit of $992,000 from exercised stock options, payment of dividends of $5.6 million to the Company's shareholders and distributions of $1.3 million to minority interests. Cash provided by financing activities for the nine months ended June 30, 2007 was $13.6 million, reflecting net proceeds from long-term debt of $9.9 million, purchases of treasury stock of $36.7 million, proceeds of $16.1 million from the sale of treasury stock (stock option exercises), a tax benefit of $3.8 million from exercised stock options, payment of dividends of $5.2 million to the Company's shareholders and distributions of $1.4 million to minority interests.

The Company has a domestic Revolving Credit Facility with a syndicate of financial institutions. The maximum amount of borrowings available under the facility is $225.0 million and the facility's maturity is September 10, 2012. Borrowings under the facility bear interest at LIBOR plus a factor ranging from ..40% to .80% 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 .15% to .25% (based on the Company's leverage ratio) of the unused portion of the facility. The Revolving Credit Facility requires the Company to maintain certain leverage and interest coverage ratios. A portion of the facility (not to exceed $10 million) is available for the issuance of trade and standby letters of credit. Outstanding borrowings on the Revolving Credit Facility at June 30, 2008 and September 30, 2007 were $175.8 million and $147.8 million, respectively. The weighted-average interest rate on outstanding borrowings at June 30, 2008 and 2007 was 4.38% and 5.24%, respectively.

The Company has entered into the following interest rate swaps:

Date	Initial Amount	Fixed Interest Rate	Interest Rate Spread at June 30, 2008	Equal Quarterly Payments	Maturity Date
April 2004	$ 50 million	2.66%	.40%	$ 2.5 million	April 2009
September 2005	50 million	4.14	.40	3.3 million	April 2009
August 2007	15 million	5.07	.40	-	April 2009
August 2007	10 million	5.07	.40	-	April 2009
September 2007	25 million	4.77	.40	-	September 2012
May 2008	40 million	3.72	.40	-	September 2012

The interest rate swaps have been designated as cash flow hedges of the future variable interest payments under the Revolving Credit Facility which are considered probable of occurring. Based on the Company's assessment, all the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.

The fair value of the interest rate swaps reflected an unrealized loss of $1.3 million ($786,000 after tax) at June 30, 2008 that is included in shareholders' equity as part of accumulated other comprehensive income. Assuming market rates remain constant with the rates at June 30, 2008, approximately $463,000 of the $786,000 loss included in accumulated other comprehensive income is expected to be recognized in earnings as interest expense over the next twelve months.

The Company, through its German holding companies, has a credit facility with a European bank. In May 2008, the maximum amount of borrowings available under this facility was increased from 10.0 million Euros to 25.0 million Euros ($39.4 million). At June 30, 2008, outstanding borrowings under the credit facility totaled 17.5 million Euros ($27.6 million). The weighted-average interest rate on outstanding borrowings under this facility at June 30, 2008 and 2007 was 5.88% and 4.20%, respectively.

The Company, through its German subsidiary, Saueressig, has several loans with various European banks. At June 30, 2008, outstanding borrowings under these loans totaled 12.1 million Euros ($19.0 million). The weighted-average interest rate on outstanding borrowings of Saueressig at June 30, 2008 was 5.76%.

The Company, through its wholly-owned subsidiary, Matthews International S.p.A., has several loans with various Italian banks. Outstanding borrowings on these loans totaled 16.1 million Euros ($25.3 million) at June 30, 2008. Matthews International S.p.A. also has three lines of credit totaling approximately 8.4 million Euros ($13.2 million) with the same Italian banks. Outstanding borrowings on these lines were 2.2 million Euros ($3.5 million) at June 30, 2008. The weighted-average interest rate on outstanding borrowings of Matthews International S.p.A. at June 30, 2008 and 2007 was 3.92% and 3.26%, respectively.

The Company has a stock repurchase program, which was initiated in 1996. Under the program, the Company's Board of Directors had authorized the repurchase of a total of 12,500,000 shares (adjusted for stock splits) of Matthews common stock, of which 11,115,006 shares have been repurchased as of June 30, 2008. 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 Articles of Incorporation.

Consolidated working capital of the Company was $124.8 million at June 30, 2008, compared to $143.1 million at September 30, 2007. Cash and cash equivalents were $50.9 million at June 30, 2008, compared to $44.0 million at September 30, 2007. The Company's current ratio was 1.7 at June 30, 2008 and 2.2 at September 30, 2007.

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 environmental, health, and safety policies and procedures that include the proper handling, storage and disposal of hazardous materials.

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, The York Group, Inc. ("York"), a wholly-owned subsidiary of the Company, was identified, along with others, by the Environmental Protection Agency as a potentially responsible party for remediation of a landfill site in York, Pennsylvania. At this time, the Company has not been joined in any lawsuit or administrative order related to the site or its clean-up.

At June 30, 2008, an accrual of approximately $8.4 million had been recorded for environmental remediation (of which $861,000 was 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 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. Changes in the accrued environmental remediation obligation from the prior fiscal year reflect payments charged against the accrual. 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.

Acquisitions:

In May 2008, the Company acquired a 78% interest in Saueressig. Saueressig is headquartered in Vreden, Germany and has its principal manufacturing operations in Germany, Poland and the United Kingdom. The transaction was structured as an asset purchase with a purchase price of approximately 75.7 million Euros ($118.2 million), which included cash plus assumed debt. The cash portion of the transaction was funded principally through borrowings under the Company's existing credit facilities. The acquisition is designed to expand Matthews' products and services in the global graphics imaging market.

In July 2007, The York Group, Inc. (“York”), a wholly-owned subsidiary of the Company, reached a settlement agreement with Yorktowne Caskets, Inc. and its shareholders (collectively “Yorktowne”) with respect to all outstanding litigation between the parties. In exchange for the mutual release, the principal terms of the settlement included the assignment by Yorktowne of certain customer and employment-related contracts to York and the purchase by York of certain assets, including York-product inventory, of Yorktowne.

In June 2007, the Company acquired a 60% interest in Kenuohua, an ink-jet equipment manufacturer, headquartered in Beijing, China. The acquisition was structured as a stock purchase. The acquisition was intended to expand Matthews’ marking products manufacturing and distribution capabilities in Asia.

In December 2006, the Company paid additional purchase consideration of $7.0 million under the terms of the Milso Industries (“Milso”) acquisition agreement.

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 ten fiscal years, the Company has achieved an average annual increase in earnings per share of approximately 14%.

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.

Significant factors expected to impact the fiscal 2008 fourth quarter include the cost of raw materials (particularly bronze ingot and steel), the Casket segment’s continuing transition to direct distribution in certain territories, continued weakness in the U.K. graphics market and the impact on the Marking Products segment of a slowdown in several of its markets. The Company remains cautious as to any future volatility in bronze costs, and the price of cold-rolled steel has increased during the last half of fiscal 2008. In addition, the Casket segment will continue its efforts to integrate and manage newly established direct distribution operations. Finally, current conditions relative to the U.K. graphics market and the domestic markets served by the Marking Products segment may continue for the next several quarters.

Based on the Company’s growth strategy, factors discussed above and the acquisition of Saueressig, the Company currently expects to achieve fiscal 2008 diluted earnings per share growth in the range of $2.48 to $2.50, which represents growth over fiscal 2007 earnings per share excluding unusual items within the Company’s targeted long-term range of 12% to 15%. This earnings expectation excludes the net impact of the unusual items incurred in fiscal 2007 and the one-time income tax adjustment and any other unusual items that may occur in fiscal 2008.

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 and in the critical accounting policies in Management’s Discussion and Analysis included in the Company's Annual Report on Form 10-K for the year ended September 30, 2007. 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.

LONG-TERM CONTRACTUAL OBLIGATIONS AND COMMITMENTS:

The following table summarizes the Company's contractual obligations at June 30, 2008, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.

	Payments due in fiscal year:				
	Total	2008 Remainder	2009 to 2010	2011 to 2012	After 2012
Contractual Cash Obligations:	(Dollar amounts in thousands)				
Revolving credit facilities	$ 203,385	$ 5,833	$ 21,436	$ 176,116	$ -
Notes payable to banks	53,392	12,194	13,832	11,234	16,132
Short-term borrowings	3,491	3,491	-	-	-
Other borrowings	4,303	4,303	-	-	-
Capital lease obligations	2,940	384	1,717	796	43
Non-cancelable operating leases	32,380	3,091	16,147	9,428	3,714
Total contractual cash obligations	$ 299,891	$ 29,296	$ 53,132	$ 197,574	$ 19,889

A significant portion of the loans included in the table above bear interest at variable rates. At June 30, 2008, the weighted-average interest rate was 4.38% on the Company's domestic Revolving Credit Facility, 5.88% on the credit facility through the Company's wholly-owned German subsidiaries, 3.92% on bank loans to the Company's wholly-owned subsidiary, Matthews International S.p.A, and 5.76% on bank loans to the Company's subsidiary, Saueressig.

Benefit payments under the Company's principal retirement plan are made from plan assets, while benefit payments under the supplemental retirement plan and postretirement benefit plan are funded from the Company's operating cash. In June 2008, the Company made a $5.0 million contribution to its principal retirement plan. As of June 30, 2008, contributions of $436,000 and $757,000 have been made under the supplemental retirement plan and postretirement plan, respectively. The Company currently anticipates contributing an additional $438,000 and $320,000 under the supplemental retirement plan and postretirement plan, respectively, for the remainder of fiscal 2008.

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 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes ("FIN 48") which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes." This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Any resulting cumulative effect of applying the provisions of FIN 48 upon adoption will be reported as an adjustment to beginning retained earnings in the period of adoption. The Company adopted FIN 48 as of October 1, 2007 which did not have a material effect on the financial statements. See Note 9 for additional disclosures related to the adoption of FIN 48.

Effective September 30, 2007, the Company adopted the recognition and related disclosure provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" ("SFAS No. 158") which amends SFAS No. 87, No. 88, No. 106 and No. 132(R). SFAS No. 158 requires the Company to measure the plan assets and benefit obligations of defined benefit postretirement plans as of the date of its year-end balance sheet. This provision of the SFAS No. 158 is effective for public companies for fiscal years beginning after December 15, 2008. The Company currently measures plan assets and benefit obligations as of July 31 of each year. The Company is considering the implications of this provision and the feasibility of earlier adoption of this portion of the statement. Upon adoption, this provision is not expected to have a material effect on the financial statements.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“SFAS No. 157”). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, however, for non-financial assets and liabilities the effective date has been extended to fiscal years beginning after November 15, 2008. The Company is currently evaluating the impact of the adoption of SFAS No. 157.

In December 2007, the FASB issued SFAS No. 141(R), “Business Combinations” (“SFAS No. 141(R)”). SFAS No. 141(R) requires recognition and measurement of the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in a business combination, goodwill acquired or a gain from a bargain purchase. The Statement is effective for fiscal years beginning on or after December 15, 2008 and is to be applied prospectively. Earlier adoption is not permitted. The Company is currently evaluating the impact of the adoption of SFAS No. 141(R).

In December 2007, the FASB issued SAFS No. 160, “Noncontrolling Interests in Consolidated Financial Statements” (“SFAS No. 160”). SFAS No. 160 amends Accounting Research Bulletin 51 and establishes accounting and reporting standards for the noncontrolling interest in a subsidiary. The Statement requires that consolidated net income reflect the amounts attributable to both the parent and the noncontrolling interest, and also includes additional disclosure requirements. The Statement is effective for fiscal years beginning on or after December 15, 2008 and is to be applied prospectively as of the beginning of the fiscal year in which the Statement is initially applied, except for the presentation and disclosure requirements which shall be applied retrospectively for all periods presented. Earlier adoption is not permitted. The Company is currently evaluating the impact of the adoption of SFAS No. 160.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS No. 161”). SFAS No. 161 amends and expands the disclosure requirements of FASB Statement 133, “Accounting for Derivative Instruments and Hedging Activities” (“SFAS No. 133”) to require qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit risk-related contingent features in derivative agreements. The Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Early application is encouraged. The Company is currently evaluating the impact of the adoption of SFAS No. 161.

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 generally use derivative financial instruments in connection with these market risks, except as noted below.

Interest Rates - The Company’s most significant long-term debt instrument is the domestic Revolving Credit Facility, as amended, which bears interest at variable rates based on LIBOR.

The Company has entered into the following interest rate swaps:

Date	Initial Amount	Fixed Interest Rate	Interest Rate Spread at June 30, 2008	Equal Quarterly Payments	Maturity Date
April 2004	$50 million	2.66%	.40%	$2.5 million	April 2009
September 2005	50 million	4.14	.40	3.3 million	April 2009
August 2007	15 million	5.07	.40	-	April 2009
August 2007	10 million	5.07	.40	-	April 2009
September 2007	25 million	4.77	.40	-	September 2012
May 2008	40 million	3.72	.40	-	September 2012

The interest rate swaps have been designated as cash flow hedges of the future variable interest payments under the Revolving Credit Facility which are considered probable of occurring. Based on the Company’s assessment, all the critical terms of each of the hedges matched the underlying terms of the hedged debt and related forecasted interest payments, and as such, these hedges were considered highly effective.

The fair value of the interest rate swaps reflected an unrealized loss of $1.3 million ($786,000 after tax) at June 30, 2008 that is included in equity as part of accumulated other comprehensive income. A decrease of 10% in market interest rates (i.e. a decrease from 5.0% to 4.5%) would result in a decrease of approximately $380,000 in the fair value of the interest rate swaps.

Commodity Price Risks - 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, wood and photopolymers) used in its manufacturing operations. The Company obtains competitive prices for materials and supplies when available.

Foreign Currency Exchange Rates - The Company is subject to changes in various foreign currency exchange rates, including the Euro, the British Pound, Canadian dollar, Australian dollar, Swedish Krona, Chinese Yuan and the Polish Zloty 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. An adverse change of 10% in exchange rates would have resulted in a decrease in sales of $16.9 million and a decrease in operating income of $2.2 million for the nine months ended June 30, 2008.

Item 4. Controls and Procedures

Based on their evaluation at the end of the period covered by 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-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) provide reasonable assurance 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.

There have been no changes in the Company's internal controls over financial reporting that occurred during the nine months ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Matthews is subject to various legal proceedings and claims arising in the ordinary course of business. Management does not expect that the results of any of these legal proceedings will have a material adverse effect on Matthews' financial condition, results of operations, or cash flows.

On February 15, 2008, The York Group, Inc., a wholly-owned subsidiary of the Company, reached a settlement with Batesville Casket Company, Inc. resolving all litigation previously pending in the United States District Court for the Southern District of Ohio and the Court of Common Pleas of Allegheny County, Pennsylvania.

Item 2. Changes in Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

Stock Repurchase Plan

The Company has a stock repurchase program, which was initiated in 1996. Under the program, the Company's Board of Directors had authorized the repurchase of a total of 12,500,000 shares (adjusted for stock splits) of Matthews common stock, of which 11,115,006 shares have been repurchased as of June 30, 2008. All purchases of the Company’s common stock during the first nine months of fiscal 2008 were part of the repurchase program.

The following table shows the monthly fiscal 2008 stock repurchase activity:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of a publicly announced plan	Maximum number of shares that may yet be purchased under the plan
October 2007	45,000	$ 43.41	45,000	1,953,557
November 2007	39,088	42.83	39,088	1,914,469
December 2007	15,300	45.12	15,300	1,899,169
January 2008	57,500	45.92	57,500	1,841,669
February 2008	18,300	45.70	18,300	1,823,369
March 2008	56,440	46.37	56,440	1,766,929
April 2008	26,235	48.98	26,235	1,740,694
May 2008	159,700	47.58	159,700	1,580,994
June 2008	196,000	46.38	196,000	1,384,994
Total	613,563	$ 46.26	613,563	

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

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	Description
10.1	Option Agreement between Mr. Kilian Saueressig and Matthews International Corporation (English translation)
31.1	Certification of Principal Executive Officer for Joseph C. Bartolacci
31.2	Certification of Principal Financial Officer for Steven F. Nicola
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Joseph C. Bartolacci.
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Steven F. Nicola.

(b) Reports on Form 8-K

On April 25, 2008, Matthews filed a Current Report on Form 8-K under Item 2.02 in connection with a press release announcing its earnings for the second fiscal quarter of 2008.

On May 12, 2008, Matthews filed a Current Report on Form 8-K under Item 2.01 in connection with a press release announcing the Company completed the purchase of a 78% ownership interest in Saueressig GmbH & Co. KG.

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: August 6, 2008

/s/ Joseph C. Bartolacci
Joseph C. Bartolacci, President
and Chief Executive Officer

Date: August 6, 2008

/s/ Steven F. Nicola
Steven F. Nicola, Chief Financial Officer,
Secretary and Treasurer

Exhibit 10.1

Option Agreement

between

Mr. Kilian SAUERESSIG, born on 29 January 1969, resident at Lünten Nork 123, 48691 Vreden

- hereinafter "the seller" -

and

Matthews International Corporation, Two NorthShore Center, Pittsburgh, USA,

- hereinafter "the buyer" -

Preamble

The following are the current limited partners in Saueressig GmbH & Co. KG, as entered in the Commercial Register of the Coesfeld Local Court under registration number HRB 3919:

- Dipl.-Ing. Hans Kilian SAUERESSIG Capital contribution of €660,000 (22 %)
- Jakob Heinreich SAUERESSIG Capital contribution of €300,000 (10 %)
- Dipl.-Kfm. Jörg Christian SAUERESSIG Capital contribution of €700,000 (23.33 %)
- Karl-Wilhelm SAUERESSIG Capital contribution of €340,000 (11.33 %)
- Reinhart ZECH VON HYMMEN Capital contribution of €1,000,000 (33.33 %)

On the basis of the SALES AND PURCHASE AGREEMENT concluded today, the limited partners Jakob Heinreich SAUERESSIG, Dipl.-Kfm. Jörg Christian SAUERESSIG, Karl-Wilhelm SAUERESSIG and Reinhart ZECH von HYMMEN have undertaken to transfer to the buyer their partnership interests, together with all partner rights relating to Saueressig GmbH & Co. KG as conferred by such shares.

The seller shall remain a participant as the limited partner in Saueressig GmbH & Co KG, in order to retain his influence on the business operations of the firm and to participate in future profits and in future growths in profit and appreciation.

In order to regulate a possible future transfer of the seller's limited partner share in Saueressig GmbH & Co. KG to the buyer, the parties conclude the following agreement:

§ 1
Purchase offer (put option)

1. The buyer hereby irrevocably offers to the seller - such offer also being valid for his universal successors - to purchase the partnership interest in Saueressig GmbH & Co. KG held by the seller with a capital contribution of €660,000 (currently representing 22% of the total share capital) as registered in the Commercial Register, or the substituting interest, under company law, possibly made in its place (hereinafter also the "participation in a limited partnership" or the "limited partner's share").

2. The purchase offer according to § 1 shall be subject to the condition precedent that the purchase and the assignment to the buyer of the limited partner's shares in Saueressig GmbH & Co. KG held by Mr. Jakob Heinreich SAUERESSIG, Mr. Jörg Christian SAUERESSIG (MBA), Mr. Karl-Wilhelm SAUERESSIG and Mr. Reinhart ZECH von HYMMEN, according to sales and purchase agreement concluded with today's date, are legally effective, and the buyer, or his subsidiary within the meaning of § 8 Para. 1 of this Agreement, is entered into the Commercial Register as limited partner.

3. The purchase offer as per § 1 can be accepted also pro rata as of the end of each quarter-year (31.3.; 30.6.; 30.9.; 31.12.) however only as of 30.9.2010 at first. The acceptance of the offer is to be explained in writing and must reach the buyer at the latest six months before the day on which the transfer is to take place.

4. Notwithstanding Para. 3 part 1, the offer as per Para. 1 can also be accepted to a quarter-year ending before 30.9.2010 if,

a. insofar as the acceptance corresponds to at least 2.75% of the total limited liability capital (this currently corresponds to 12.5 % of the seller's limited partner share) and the acceptance of the offer encompasses, in total, in the period up 30.9.2013 not more than 25% of the seller's current limited partner share (this corresponds to 5.5 % of the total current limited liability capital of the firm), or

b. a shareholder in Matthews International Corporation, Two NorthShore Center, PA 15212-5851, Pittsburgh, USA, holds more than 50% of all the shares in this Company;

c. Joseph C. BARTOLACCI has ceased working as CEO or in a similar position of responsibility for Matthews International Corporation, Two NorthShore Center, PA 15212-5851, Pittsburgh, USA, for a period of at least 12 months; or

d. The buyer contravenes seriously and sustained the rights of the seller from the shareholders agreement of the Saueressig GmbH + Co. KG, especially

   - the seller was not invited to a general meeting of members in which resolutions were adopted;

- the buyer doesn’t meet the request of the seller to summon a shareholders’ meeting;

- a resolution on the change of the articles of association against the seller's vote is to be made.

- adoptions of resolutions as per § 9 Para. 3 of the Partnership Agreement are effected against the votes of the seller;

- a general manager - with the exception of the seller himself - is appointed or discharged against the votes of the seller;

- the seller as general manager is discharged without having breached his duties as general manager.

- the position of the partners is impaired in the sense of the Holzmueller doctrine;

- modification of the partnership agreements of the subsidiaries of Saueressig GmbH + Co. KG against the explicitly expressed wish of the seller.

5. If the purchase offer is accepted pursuant to Para. 3 or Para. 4, the buyer and the seller shall be obligated to declare the assignment of the respective limited partner's share, with effect to the end of the relevant quarter-year, subject to a suspensory condition through entry of the change in the limited partner in the Commercial Register. The assignment has to- if necessary pro rata - include the total limited partner's accounts (capital accounts, loan accounts, private accounts).

§ 2
Purchase price (put option)

1. As purchase price the seller shall receive an amount to the value of the part of the company value, within the meaning of clause 3, which corresponds to the share of the participating interest to be assigned as according to §1 Para. 5 relative to the total limited liability capital of Saueressig GmbH & Co. KG, for the total limited partner's share of 22 % held by the seller, but at least € 17,443,328 ("purchase price's lower limit") and at most € 31,443,328 ("purchase price' upper limit"). Should the sale take place pro-rata, then the purchase price's lower limit and the purchase price's upper limit shall be applicable corresponding to the amount of the assigned share.

2. The purchase price's upper limit shall not apply if

   - the purchase price according to Para. 1 exceeds the purchase price's upper limit by more than 17.5% and is based on the patents named in Annex 1 to this Agreement or those developed by the seller in the future, or

   - the buyer resells the shares acquired from the seller at a higher price to a third person within twelve months of the assignment according to § 1 Para 5. Applicable as purchase price's upper limit then is the value corresponding to the purchase price obtained by the buyer.

3. The value of the Company is taken as ten times ("multiplied by a factor of ten") the average EBIT for Saueressig GmbH & Co. KG in keeping with paragraph 5, (i), minus the consolidated liabilities of Saueressig GmbH & Co. KG as defined in Enclosure 3.2 (B) of the sales an purchase agreement, at the time the assignment takes effect, exceeding the sum of €10,000,000 as well as (ii) increased by the liquid means (cash) as defined in the Enclosure 3.2 (C) of the sales and purchase agreement, and (iii) minus the further sum of €1,556,672. If the mean EBIT of Saueressig GmbH & Co. KG is less than €10,000,000, the factor of ten shall be replaced with a factor of nine.

4. The basis for the calculation of the value of the Company is the average EBIT for the two business years that ended before or on the key assignment date in accordance with § 1 Para. 5 (in the case of an assignment as at 30.9.2015, the balance sheets as at 30.9.2014 and 30.9.2015 shall form the basis, and for assignment as at 31.3.2011 the balance sheets for 30.9.2009 and 30.9.2010, whereby it is assumed that Saueressig GmbH & Co. KG changes its business year to the period 1.10 to 30.9 after the acquisition pursuant to § 1 Para. 2.

5. EBIT is the operative result from standard business operations shown in the consolidated financial statements for Saueressig GmbH & Co. KG pursuant to § 275 Para. 2 No. 14 German Commercial Code (HGB), plus interest and similar expenses pursuant to § 275 Para. 2 No. 13 HGB.

6. Should the assignment of the limited partner's share fall before 30.9.2013, the purchase price, except in the cases of § 1 Para. 4, amounts for the total limited partner's share of the seller (22% of the total limited liability capital), notwithstanding Para. 1, to € 14,826,829.

7. In addition to the purchase price, the seller shall receive an amount to the level of his money-drawing interest on its member loan accounts and private accounts at the time of the assignment according to § 1 Para. 5. Should the assignment take place as per § 1 Para 4 pro-rata, then the corresponding pro-rata credit balance is to be credited.

8. The purchase price and the payment according to Para. 7 shall be due on the day on which the assignment of the limited partner's share shall become effective (§ 1 Para. 5) and shall be payable to the value of purchase price's lower limit (Para. 1) or the fixed purchase price (Para. 6) with due date furthermore at the latest 3 months after due date but at the earliest with entry of the change in limited partner in the Commercial Register.

9. The purchase price and the payment according to Para. 7 is to be charged interest on from the day of due date of the purchase price at 2 percentage points above the base rate valid on due date of the European Central Bank or at an interest rate replacing this. The interest payments shall be due and payable with the purchase price.

10. If there is no agreement on the amount of the purchase price between the buyer and the seller at the latest up to when purchase price is payable, this shall be determined with binding effect for the parties by an audit company with international experience as an arbitrator. Should the parties not agree on an arbitrator, this person shall be determined by the Wirtschaftsprüfer e.V., Düsseldorf on request by the buyer or seller . The costs for the arbitrator and Institut der Wirtschaftsprüfer e.V., Düsseldorf shall be borne by the buyer and the seller based on the ratio between the prevailing and the defeated. The arbitrator shall determine the purchase price when in doubt on the basis of the balancing methods used by the firm up to 2007.

11. Subsequent changes of the balance sheets which underlie the purchase price calculation - perhaps due to a tax audit - have no influence on the purchase price.

§ 3
Sale offer (call option)

1. The seller hereby irrevocably offers to sell to the buyer - such offer also being valid for its universal successors - his partnership interest in Saueressig GmbH & Co. KG with a capital contribution of €660,000 (currently representing 22% of the total partnership capital) as registered in the Commercial Register. The seller shall impose this obligation on any singular successor, subject to the proviso that the latter in turn imposes the obligation on its singular successor.

2. If the buyer declares that he accepts the sale offer in accordance with Para. 1, the buyer and the seller shall be obliged to declare the assignment in accordance with § 1 Para. 5. The acceptance shall be based on § 1 paragraph 3 with the proviso that the offer can be accepted only for all shares and on 30 September 2013 at the earliest.

3. § 1 paragraph 2 shall apply fort his offer mutatis mutandis.

§ 4
Purchase price (call option)

In the event of the call option being exercised in accordance with § 3, § 2 shall apply mutatis mutandis for the purchase price.

§ 5
Securities

1. As security for the claims for payment of the purchase price from the exercise of the call or put option, the buyer shall provide an absolute suretyship of €8,500,000 and hereby assigns the share in Saueressig GmbH &Co KG that it acquired through the Sale and Purchase Agreement to the seller, who hereby accepts the assignment.

2. If the buyer fails to meet its obligations under the terms of this Agreement, the seller shall be entitled, following prior written notice. in first step to satisfy his claims from the absolute suretyship and if this doesn't lead to total satisfaction, in second step to sell the company shares on the free market or otherwise to utilize the company shares; exaggerated proceeds shall be due to the buyer. Until such time, the buyer itself shall be entitled to exercise all rights and obligations from the Company share. In particular, the buyer shall be entitled to participate in the profit and loss from the share until such time as the security right is exercised.

3. The security assignment shall end on payment of the purchase price in accordance with § 2 or § 4 of this Agreement or with setting up an additional primary bank security for € 8,900,00. Once the purchase price has been paid in full, the share in Saueressig GmbH & Co KG shall be deemed assigned to buyer. The surety document is to be granted in reverse.

§ 6
Warranties - Compensation

1. The seller warrants to the buyer in the form of an independent guarantee pursuant to § 311 Para. 1 German Civil Code (BGB) that the partnership interest in Saueressig GmbH & Co. KG held by the seller with a capital contribution of €660,000 (22%) is legally justified, fully paid up, not reduced by losses or withdrawals, and not encumbered by any obligatory or in rem third-party rights. In particular, there are no rights of pre-emption, rights of use, trust relationships, typical or atypical sub-participations, other options, voting arrangements, or other third-party rights affecting the purchase of the share.

2. The seller warrants to the buyer in the form of an independent guarantee pursuant to § 311 Para. 1 German Civil Code (BGB) that the Articles of Association of Saueressig GmbH & Co. KG of 27 September 2004 attached as Annex 2 herewith are the currently valid version of the Articles of Association of Saueressig GmbH & Co. KG. If there are any changes to the Articles of Association of Saueressig GmbH & Co. KG (except § 12 Para. 4) before the effective date of the assignment of the partnership interests of Jakob Heinreich SAUERESSIG, Dipl.-Kfm. Jörg Christian SAUERESSIG, Karl-Wilhelm SAUERESSIG and Reinhart ZECH von HYMMEN to the buyer, or if provisions in the Articles of Association of 27 September 2004 should be formally invalid, the seller shall exercise his shareholder rights in Saueressig GmbH & Co. KG to ensure that the Articles of Association revert to the status of 27.9.2004 in respect of individual or all provisions, at the buyer's discretion.

3. The buyer shall not be entitled to further warranty claims

4. For the duration of two years calculated from the point in time at which he retired from the company as limited partner, the seller obligates himself to observe the restraint clause in keeping with § 5 paragraphs (2) and (3) of the partnership agreement which the parties have agreed upon on 25th February 2008.

The seller undertakes to declare irrevocably that he renounces any compensation payments which may accrue for his benefit on account of the retirement as a limited partner from Saueressig GmbH & Co. KG or by the retirement from the management of Saueressig GmbH & Co. KG or from a company rendered in Annex 1.3 and 1.4 of the company purchase contract on the basis of a subsequent restraint clause. The parties are in agreement that the subsequently agreed restraint clause is compensated by the purchase price to the paid on the basis of this contract.

§ 7
Costs and taxes

1. The profit taxes (e.g. income tax, trade tax, corporate tax) payable from the exercise of the options shall be borne by the person or company for whom the taxes legally accrue. If profit tax is payable from the exercise of the option right at the level of Saueressig GmbH & Co KG, the seller shall repay such taxes to the Company.

2. Should with the conclusion and implementation of this Agreement real estate transfer tax arise, this shall be borne by the buyer. The parties shall each bear half of any other costs or taxes arising from the conclusion and execution of this Agreement. Each party shall individually bear the costs for consulting services.

3. Should any services provided in connection with this Agreement be subject to and charged VAT, the remuneration to be paid under the terms of this Agreement shall be increased by the legal amount of VAT.

§ 8
Other provisions

1. All of the rights and duties set out in this Agreement apply in turn for the relevant legal successor(s) to the contracting parties, unless a different arrangement has been made in this Agreement. The buyer has in addition the right to assign at any time the total rights and duties from this Agreement to another company in which the buyer is directly or indirectly participated up to more than 75% (subsidiary). The buyer or his successor in title shall be entitled to transfer the shares in Saueressig GmbH + Co. KG to a subsidiary.

2. Should the legal form of Saueressig GmbH & Co KG change or it is merged onto another legal holder, or the size of the limited liability capital of the seller is changed, then the above agreements made shall apply for the new or changed shares correspondingly.

3. Changes and additions to the present Agreement may only be made in writing, and, where required, they shall be notarized. All declarations that are to be made in accordance with the terms of the present Agreement shall be made in writing.

4. The seller on the one hand, and the buyer on the other, each appoint for the other party the person named below with registered address in Germany, who shall be entitled at all times to make and accept any declarations for the party in question pursuant to or in connection with the present Agreement. This authorization shall apply until the end of the 14th day after the party in question has notified the other party of the appointment of a different representative with registered address in Germany, and exercising the same rights. A change of address for the representative shall be binding for the other party only 14 days after it has been informed of the said change.

Authorized receiving agent for the seller:

Mr. Kilian SAUERESSIG
Lünten Nork 123
D-48691 Vreden
Germany
Fax: +49 (2564) 12 420

With copy to:

Allen & Overy LLP
Thomas AUSTMANN
Rheinisches Palais
Breite Strasse 27
D-40213 Düsseldorf
Germany
Fax: +49 (211) 28 06 7601

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Authorized receiving agent for the buyer:

Matthews International Corporation
Brain D. WALTERS, Esq. (Legal Counsel)
Two NorthShore Center
Pittsburgh
Pennsylvania 15222
USA
Fax: 001 (412) 442-8290

With copy to:

Streck Mack Schwedhelm
Dr. Heinz-Willi KAMPS
Wilhelm-Schlombs-Allee 7-11
D-50858 Köln (Junkersdorf)
Germany
Fax: +49 (221) 49 29 299

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5. In derogation of § 10 Para. 3 of the Sale and Purchase Agreement, the parties agree that

a. the seller can withdraw his credit balance amount, shown in the consolidated accounts of Saueressig GmbH & Co. KG on 31.12.2007, on his partner loan and private accounts after the expiry of fourteen days after the entry into force of the conditions as per §1 Para. 2 and the buyer funds the company with the necessary liquidity for this, and

b. from the business year 2008 onwards, 55% of the profit shall be credited to the loan accounts and only 45% to the private accounts of the partners. If a partner proves that the personal income tax (without trade tax) resulting from his stake in Saueressig GmbH & Co. KG is higher than the amount which was credited to his private account, then a correspondingly higher percentage rate is to be credited to the private account in respect of all partners.

6. The seller shall be obligated on request of the seller to implement jointly with the buyer a US federal income tax coordination according to Treasury Regulation 301.7701-1 which permits the buyer to classify Saueressig GmbH & Co KG, according to its choice of taxation according to US federal law, either as an incorporated or unincorporated firm that is not subject to corporation tax. The buyer shall release the seller from any disadvantages which ensue for the seller.

§ 9
Severability clause

1. The provisions of this Agreement shall apply mutatis mutandis in the event of a change in the legal status of Saueressig GmbH & Co. KG. Should any arrangement affecting Saueressig GmbH & Co. KG or its general partner conflict with the application of the provisions set out in this Agreement, the buyer and the seller shall find a new provision that matches the sense and intent of the original provision.

2. If any part of this Agreement should be or prove invalid or illegal, the invalid or illegal provision shall be replaced by a suitable replacement reflecting the spirit of this Agreement, one that the contracting parties might be assumed to have agreed had they been aware of the omission. The invalidity or illegality shall be without prejudice to the remaining provisions in this Agreement.

3. The present Agreement is subject to German law.

4. Any disputes between the parties in connection with the present document shall be finally decided by an arbitration court excluding the jurisdiction of the courts. The arbitration court shall also decide on claims that have been set off in this context. The language of the arbitration process shall be German, and the venue for the arbitration process Düsseldorf. In all other instances, Articles 1025 ff. German Code of Civil Procedure (ZPO) shall apply.

Düsseldorf, date 25.2.2008

________________________	______________________________
(Kilian SAUERESSIG)	(Matthews International Corporation)

Exhibit 31.1

CERTIFICATION
PRINCIPAL EXECUTIVE OFFICER

I, Joseph C. Bartolacci, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2008

Joseph C. Bartolacci

Joseph C. Bartolacci
President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PRINCIPAL FINANCIAL OFFICER

I, Steven F. Nicola, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2008

Steven F. Nicola

Steven F. Nicola
Chief Financial Officer,
Secretary and Treasurer

Exhibit 32.1

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 ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph C. Bartolacci, 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.

Joseph C. Bartolacci

Joseph C. Bartolacci,
President and Chief Executive Officer

August 6, 2008

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version 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 32.2

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 ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven F. Nicola, 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.

Steven F. Nicola

Steven F. Nicola,
Chief Financial Officer

August 6, 2008

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version 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.