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

Form 10-Q

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

For The Quarterly Period Ended December 31, 1999

Commission File Nos. 0-9115 and 0-24494

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

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

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

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

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

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

Yes [X] No [ ]

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

Class of Common Stock	Outstanding at January 31, 2000
Class A - $1.00 par value	13,270,748 shares
Class B - $1.00 par value	2,302,837 shares

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

<TABLE>
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<S>	December 31, 1999	September 30, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 28,900,741	$ 31,531,686
Short-term investments	3,211,512	147,114

Accounts receivable	42,954,034	45,949,743
Inventories: Materials and finished goods	$ 15,180,949	$ 14,883,879
Labor and overhead in process	1,408,261	1,212,485
Supplies	293,951	304,113
	----------	----------
	16,883,161	16,400,477
Other current assets	2,633,658	2,862,341
	----------	----------
Total current assets	94,583,106	96,891,361
Investments	13,966,983	11,312,730
Property, plant and equipment: Cost	91,795,180	89,777,983
Less accumulated depreciation	(41,283,330)	(39,107,236)
	----------	----------
	50,511,850	50,670,747
Deferred income taxes and other assets	13,714,519	13,639,723
Goodwill, net of accumulated amortization	51,168,709	53,163,011
	-----------	-----------
Total assets	$223,945,167	$225,677,572
	===========	===========
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Long-term debt, current maturities	7,081,895	7,604,443
Accounts payable	10,777,576	9,798,531
Accrued compensation	12,576,334	18,127,646
Accrued income taxes	4,482,063	818,324
Customer prepayments	6,719,061	6,825,149
Other current liabilities	17,625,520	19,117,031
	----------	----------
Total current liabilities	59,262,449	62,291,124
Long-term debt	12,447,946	14,144,038
Estimated finishing costs	4,117,961	4,059,837
Postretirement benefits	19,410,924	19,513,936
Other liabilities	10,601,862	11,046,706
Shareholders' equity:		
Common stock	18,166,996	18,166,996
Retained earnings	157,444,860	152,098,622
Accumulated other comprehensive income (loss)	(4,472,560)	(3,970,000)
Notes receivable	(36,385)	(54,800)
Treasury stock, at cost	(52,998,886)	(51,618,887)
	-----------	-----------
	118,104,025	114,621,931
	-----------	-----------
Total liabilities and shareholders' equity	$223,945,167	$225,677,572
	===========	===========

</TABLE>

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

<TABLE>
<CAPTION>

	Three Months Ended December 31,	

	1999	1998
	----	----
<S>	<C>	<C>
Sales	$ 63,539,741	$ 56,441,488
Cost of goods sold	35,515,866	32,982,990
	----------	----------
Gross profit	28,023,875	23,458,498
Selling and administrative expenses	17,638,148	14,759,243
	----------	----------
Operating profit	10,385,727	8,699,255
Investment income	455,677	438,593
Interest expense	(408,269)	(122,570)

Other income (deductions), net	(20,214)	(31,976)
Minority interest	(408,107)	(43,846)
	----------	----------
Income before income taxes	10,004,814	8,939,456
Income taxes	3,921,537	3,524,337
	----------	----------
Net income	$ 6,083,277	$ 5,415,119
	==========	==========
Earnings per share:		
Basic	$ .39	$ .34
	=====	=====
Diluted	$ .38	$ .33
	=====	=====
Dividends per share	$.0475	$ .045
	=====	=====

</TABLE>

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

<TABLE>
<CAPTION>

	Three Months Ended December 31,	
	1999	1998
	----	----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 6,083,277	$ 5,415,119
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,097,754	2,283,021
Change in deferred taxes	14,737	(123,337)
Changes in working capital items	213,923	(2,906,207)
Increase in other assets	(57,769)	(64,766)
Increase in estimated finishing costs	58,124	203,719
Increase (decrease) in other liabilities	(444,844)	173,166
Decrease in postretirement benefits	(103,012)	(124,701)
Loss on sale of property, plant and equipment	18,400	2,280
Net loss on investments	9,672	15,087
Effect of exchange rate changes on operations	853,476	(58,981)
	----------	----------
Net cash provided by operating activities	9,743,738	4,814,400
	----------	----------
Cash flows from investing activities:		
Capital expenditures	(2,361,859)	(3,782,093)
Proceeds from sales of property, plant and equipment	654	1,000
Acquisitions, net of cash acquired	-	-
Investments	(6,177,991)	(193,906)
Proceeds from disposition of investments	-	2,210,471
Collections on loans to officers and employees	18,415	106,301
	----------	----------
Net cash used in investing activities	(8,520,781)	(1,658,227)
	----------	----------
Cash flows from financing activities:		
Proceeds from long-term debt	177,143	470,000
Payments on long-term debt	(1,444,080)	(195,025)
Proceeds from the sale of treasury stock	4,683	188,750
Purchases of treasury stock	(1,381,224)	(1,329,730)
Dividends	(740,497)	(718,980)
	----------	----------
Net cash used in financing activities	(3,383,975)	(1,584,985)
	----------	----------
Effect of exchange rate changes on cash	(469,927)	(45,189)

	----------	----------
Net increase (decrease) in cash and cash equivalents	$(2,630,945)	$ 1,525,999
	==========	==========

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1999

Note 1. Nature of Operations

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

The Company has manufacturing and marketing facilities in the United States, Australia, Canada, Germany, Italy and Sweden.

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-month period ended December 31, 1999 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2000. 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, 1999.

The consolidated financial statements include all majority-owned foreign and domestic subsidiaries. The consolidated financial statements also include the accounts of the Company's 50%-owned affiliates, Tukaiz Communications, L.L.C., O.N.E. Color Communications, L.L.C. and, effective April 1, 1999, S+T GmbH & Co. KG. 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.

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
DECEMBER 31, 1999

Note 3. Income Taxes

The income tax provision for the period is based on the effective tax rate expected to be applicable for the full year. The difference between the estimated effective tax rate of 39.2% and the Federal statutory rate of 35% primarily reflects the impact of state income taxes.

Note 4. Earnings Per Share

	For the Three Months Ended December 31, 1999	1998
Net income	$ 6,083,277	$ 5,415,119
Weighted average common shares outstanding	15,631,086	15,998,525
Dilutive securities, primarily stock options	370,375	431,561
Diluted weighted average common shares outstanding	16,001,461	16,430,086
Basic earnings per share	$ .39	$ .34
Diluted earnings per share	$ .38	$ .33

Note 5. Segment Information

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

Information about the Company's segments follows:

Note 5. Segment Information, continued

	For the Three Months Ended December 31, 1999	1998
Sales to external customers:		
Graphics Imaging	$22,552,382	$19,579,363
Marking Products	8,232,376	7,805,677
Bronze	32,754,983	29,056,448
	$63,539,741	$56,441,488
Operating profit:		
Graphics Imaging	$ 1,763,551	$ 1,032,478
Marking Products	1,611,835	1,229,609
Bronze	7,010,341	6,437,168
	$10,385,727	$ 8,699,255

Note 6. Comprehensive Income

Comprehensive income consists of net income adjusted for changes in cumulative foreign currency translation, unrealized investment gains and losses and minimum pension liability. Comprehensive income for the three months ended December 31, 1999 and 1998 were $5,580,717 and $5,266,156, respectively.

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

Cautionary Statement:

The following discussion should be read in conjunction with the consolidated financial statements and footnotes thereto included in this Quarterly Report on Form 10-Q and the Company's Annual Report on Form 10-K for the year ended September 30, 1999. Any forward-looking statements contained herein are included pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to be materially different from management's expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Factors that could cause the Company's results to differ materially from the results discussed in such forward-looking statements principally include changes in domestic or international economic conditions, changes in product demand or pricing as a result of consolidation in the industries in which the Company operates, changes in product demand or pricing as a result of competitive pressures, and technological factors beyond the Company's control.

Results of Operations

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

	Three months ended December 31,		Years ended September 30,		
	1999	1998	1999	1998	1997
Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	44.1	41.6	43.1	44.0	44.1
Operating profit	16.3	15.4	17.1	17.0	16.3
Income before income taxes	15.7	15.8	17.2	17.5	17.1
Net income	9.6	9.6	10.5	10.6	10.4

Sales for the three months ended December 31, 1999 were $63.5 million and were $7.1 million, or 12.6%, higher than sales of $56.4 million for the quarter ended December 31, 1998. The sales increase for the first three months of fiscal 2000 reflected higher sales in all three of the Company's business segments. Sales for the Bronze segment increased $3.7 million, or 13%, over the fiscal 1999 first quarter resulting primarily from the Company's acquisition of Caggiati S.p.A. in June 1999. Sales for the Graphics Imaging segment were up $3.0 million, or 15%, from the same period a year ago principally reflecting the Company's acquisition of a 50% interest in S+T GmbH & Co. KG ("S+T GmbH") in September 1998. S+T GmbH was recorded under the equity method of accounting until March 31, 1999. The consolidated financial statements of Matthews included the accounts of S+T GmbH effective April 1, 1999 as a result of a change in control. The sales increase of the Graphics Imaging segment for the fiscal 2000 first quarter also reflected higher sales for the Company's 50%-owned subsidiary, Tukaiz Communications, L.L.C. ("Tukaiz"). The sales increase for Tukaiz primarily resulted from the installation of a commercial printing operation in January 1999.

Results of Operations, continued:

Marking Products segment sales for the three months ended December 31, 1999 increased $400,000, or 5%, from the same period a year ago. The higher level of sales for the fiscal 2000 first quarter resulted principally from an increase in sales in North America of ink-jet equipment and related products.

Gross profit for the three months ended December 31, 1999 was $28.0 million, or 44.1% of sales, compared to $23.5 million, or 41.6% of sales, for the first three months of fiscal 1999. The increase in consolidated gross profit of $4.5 million, or 19.5%, reflected higher gross profit levels in all three of the Company's business segments. Increases in gross profit in the Bronze and Graphics Imaging segments resulted from higher sales. Marking Products gross profit also improved over the fiscal 1999 first quarter reflecting higher sales and a change in product mix. Consolidated gross profit as a percent of sales for the quarter ended December 31, 1999 increased to 44.1%, compared to 41.6% for the same period a year ago, reflecting an improved product mix in both the Bronze and Marking Products segments. Bronze segment sales for the fiscal 2000 first quarter reflected a higher level of memorialization products as a result of the acquisition of Caggiati S.p.A.

Selling and administrative expenses for the three months ended December 31, 1999 were $17.6 million, representing an increase of $2.8 million, or 19.5%, over $14.8 million for the fiscal 1999 first quarter. The increase in selling and administrative expenses over the prior period principally resulted from the acquisitions of Caggiati S.p.A. and S+T GmbH combined with other increases in selling and administrative costs within the Bronze segment. Consolidated selling and administrative expense as a percent of sales was 27.8% for the first quarter of fiscal 2000 compared to 26.1% for the same quarter last year.

Operating profit for the three months ended December 31, 1999 was $10.4 million and was $1.7 million, or 19.4%, higher than operating profit of $8.7 million for the first three months of fiscal 1999. Graphics Imaging operating profit for the fiscal 2000 first quarter was $700,000, or 70.8%, higher than the same quarter last year reflecting higher sales and lower selling and administrative costs as a percent of sales. The first quarter results for the current year were favorably impacted by the Company's investment in S+T GmbH. The increase in operating profit for the Graphics Imaging segment also reflected an improvement in the operating results of Tukaiz, which resulted from higher sales. Operating profit for the Bronze segment increased $600,000, or 8.9%, over the same period a year ago resulting primarily from the Company's acquisition of Caggiati S.p.A. in June 1999. Operating profit for the Marking Products segment increased $400,000, or 31.1%, for the quarter primarily reflecting higher sales in North America of ink-jet equipment and related products.

Investment income for the first quarter of fiscal 2000 was $456,000 compared to $439,000 for the first three months of fiscal 1999. Interest expense for the three months ended December 31, 1999 was $408,000, compared to $123,000 for the first quarter of fiscal 1999. The increase in interest expense compared to the same period last year principally related to fiscal 1999 borrowings by Tukaiz and new borrowings and assumed debt in connection with the acquisition of Caggiati in June 1999.

Results of Operations, continued:

Other income (deductions), net, for the three months ended December 31, 1999 represented a reduction to pre-tax income of $20,000 compared to a reduction of $32,000 for the first three months of fiscal 1999. Minority interest for the fiscal 2000 first quarter was $408,000 compared to $44,000 for the same period a year ago. The higher minority interest deduction over the fiscal 1999 first quarter resulted from the Company's acquisition of S+T GmbH and an improvement in the operating results of Tukaiz.

The Company's effective tax rate for the first quarter of fiscal 2000 was 39.2%, compared to 39.4% for the year ended September 30, 1999. The difference between the Company's effective tax rate and the Federal statutory rate of 35% primarily reflects the impact of state income taxes.

Liquidity and Capital Resources

Net cash provided by operating activities was $9.7 million for the three months ended December 31, 1999, compared to $4.8 million for the quarter ended December 31, 1998. Operating cash flow for both periods primarily reflected net income adjusted for depreciation and amortization (non-cash expenses) and the payment of year-end compensation and profit distribution accruals. Operating cash flow for the fiscal 2000 first quarter was favorably impacted by a reduction in trade accounts receivable from September 30, 1999.

Cash used in investing activities was approximately $8.5 million for the three months ended December 31, 1999 compared to $1.7 million for the same period a year ago. Investing activities for the fiscal 2000 first quarter primarily reflected capital expenditures of $2.4 million and the purchase of investment securities of $6.2 million. Capital expenditures for the quarter ended December 31, 1999 were lower than the fiscal 1999 first quarter principally reflecting the investment last year in a commercial printing operation at Tukaiz. Investment securities were purchased in the fiscal 2000 first quarter to obtain a better rate of return on the Company's excess cash. Investing activities for the first three months of fiscal 1999 principally included capital expenditures of $3.8 million, which were partially offset by proceeds of $2.2 million from the disposition of investment securities. Capital spending for property, plant and equipment has averaged $8.9 million for the last three fiscal years. The capital budget of the Company for fiscal 2000 is $11.7 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash used in financing activities for the three months ended December 31, 1999 was $3.4 million, consisting principally of net treasury stock purchases of $1.4 million, repayments of $1.4 million on long-term debt of Caggiati S.p.A. and Tukaiz, and the Company's quarterly dividend of $.0475 per share. Cash used in financing activities for the three months ended December 31, 1998 was $1.6 million consisting principally of net treasury stock purchases of $1.1 million and the Company's quarterly dividend of $.045 per share. Financing activities in the fiscal 1999 first quarter also included proceeds of $470,000 from borrowings by Tukaiz Communications, L.L.C. under its line of credit. The Company had available lines of credit with U.S. and Canadian banks, net of outstanding borrowings, of approximately $11 million at December 31, 1999.

Liquidity and Capital Resources, continued

At December 31, 1999 and September 30, 1999 and 1998, the Company's current ratio was 1.6, 1.6 and 1.7, respectively. The Company had cash and cash equivalents at December 31, 1999 and September 30, 1999 of $28.9 million and $31.5 million, respectively. Net working capital at December 31, 1999 was $35.3 million. The Company believes that its current liquidity sources, combined with its operating cash flow and additional borrowing capacity, will be sufficient to meet its capital needs for the next 12 months.

Year 2000 Issue

The Company has assessed the impact of the Year 2000 issue on its operations and information systems. Costs incurred to date for this assessment and for systems modifications required to address any Year 2000 issues have not been material. The Company's significant operating and information systems are substantially Year 2000 compliant and, as such, the Year 2000 issue did not have a material impact on the consolidated financial position, results of operations or cash flows of the Company.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following Exhibit to this report is filed herewith:

Exhibit No.	Description
27	Financial Data Schedule (via EDGAR)

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MATTHEWS INTERNATIONAL CORPORATION
(Registrant)

Date 2/9/00 D.M. Kelly

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

Date 2/9/00 E.J. Boyle

E. J. Boyle, Vice President, Accounting &
Finance, Treasurer and Secretary

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE REGISTRANT'S QUARTERLY REPORT ON FORM 10-Q FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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