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 June 30, 2003

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 [ ]

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

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 July 31, 2003
Class A - $1.00 par value	32,233,815 shares

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

	June 30, 2003		September 30, 2002	
<S>	<C>	<C>	<C>	<C>
ASSETS				

Current assets:		
Cash and cash equivalents	$ 63,938	$ 57,101
Short-term investments	4,591	4,565
Accounts receivable, net	66,584	66,239
Inventories: Materials and finished goods	$ 24,069	$ 22,320
Labor and overhead in process	1,727	1,606
Supplies	486	477
	26,282	24,403
Other current assets	2,578	3,712
Total current assets	163,973	156,020
Investments	4,623	4,699
Property, plant and equipment: Cost	138,368	131,306
Less accumulated depreciation	(67,352)	(56,163)
	71,016	75,143
Deferred income taxes and other assets	23,481	28,369
Goodwill	153,577	144,960
Other intangible assets, net	13,149	13,410
Total assets	$ 429,819	$ 422,601
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Long-term debt, current maturities	6,224	6,127
Accounts payable	17,093	19,462
Accrued compensation	23,960	22,859
Accrued income taxes	4,166	4,114
Accrued rebates	1,752	9,697
Other current liabilities	26,123	24,927
Total current liabilities	79,318	87,186
Long-term debt	67,333	96,487
Estimated finishing costs	5,721	6,811
Postretirement benefits	17,532	17,907
Environmental reserve	10,993	11,300
Other liabilities	12,947	21,535
Shareholders' equity:		
Common stock	36,334	36,334
Additional paid in capital	5,452	2,119
Retained earnings	247,128	216,569
Accumulated other comprehensive income (loss)	(4,762)	(15,216)
Treasury stock, at cost	(48,177)	(58,431)
Total shareholders' equity	235,975	181,375
Total liabilities and shareholders' equity	$ 429,819	$ 422,601

</TABLE>

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

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Sales	$ 116,145	$ 118,825	$ 340,799	$ 314,254
Cost of sales	(71,696)	(73,681)	(214,757)	(197,224)
Gross profit	44,449	45,144	126,042	117,030
Selling and administrative expenses	(22,876)	(26,247)	(67,157)	(67,505)

Operating profit	21,573	18,897	58,885	49,525
Investment income	354	119	985	1,204
Interest expense	(578)	(1,081)	(2,250)	(3,074)
Other income(deductions), net	(84)	72	(129)	88
Minority interest	(1,179)	(808)	(3,280)	(2,119)
Income before income taxes and accounting change	20,086	17,199	54,211	45,624
Income taxes	(7,797)	(6,641)	(21,037)	(17,612)
Income before cumulative effect of change in accounting	12,289	10,558	33,174	28,012
Cumulative effect of change in accounting (net of tax)	-	-	-	(3,226)
Net income	$ 12,289	$ 10,558	$ 33,174	$ 24,786
Earnings per share before cumulative effect of change in accounting:				
Basic	$ .38	$ .34	$1.05	$ .91
Diluted	$ .38	$ .33	$1.03	$ .88
Earnings per share:				
Basic	$ .38	$ .34	$1.05	$ .81
Diluted	$ .38	$ .33	$1.03	$ .78
Dividends per share:	$.0275	$.02625	$.0825	$.07875

</TABLE>

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

<TABLE>
<CAPTION>

	Nine Months Ended June 30,	
	2003	2002
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 33,174	$ 24,786
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,044	10,371
Change in deferred taxes	339	(59)
Changes in working capital items	(13,086)	(5,494)
(Increase) decrease in other assets	2,555	(1,070)
Increase (decrease) in estimated finishing costs	(1,090)	331
Increase (decrease) in other liabilities	(4,395)	1,697
Decrease in postretirement benefits	(375)	(314)
Tax benefit of exercised stock options	5,100	5,400
Impairment losses	-	5,255
Net (gain) loss on sales of assets	(393)	443
Net (gain) loss on investments	57	(456)
Net cash provided by operating activities	32,930	40,890
Cash flows from investing activities:		
Capital expenditures	(6,761)	(6,821)
Proceeds from sales of assets	2,216	3,203

Acquisitions, net of cash acquired	-	(88,237)
Purchases of investment securities	(145)	(4,739)
Proceeds from disposition of investment securities	16	13,724
Net cash used in investing activities	(4,674)	(82,870)
Cash flows from financing activities:		
Proceeds from long-term debt	-	124,500
Payments on long-term debt	(31,495)	(60,267)
Proceeds from the sale of treasury stock	10,685	6,792
Purchases of treasury stock	(2,199)	(124)
Dividends	(2,615)	(2,425)
Net cash provided by (used in) financing activities	(25,624)	68,476
Effect of exchange rate changes on cash	4,205	1,946
Net increase in cash and cash equivalents	$ 6,837	$ 28,442

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2003
(Dollar amounts in thousands, except per share data)

Note 1. Nature of Operations

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

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

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

Note 2. Basis of Presentation

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

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

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued
JUNE 30, 2003
(Dollar amounts in thousands, except per share data)

Note 2. Basis of Presentation, continued

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Stock-Based Compensation

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net income, as reported	$12,289	$10,558	$33,174	$24,786
Net income, pro forma	11,919	10,182	32,175	23,778
Basic earnings per share, as reported	.38	.34	1.05	.81
Diluted earnings per share, as reported	.38	.33	1.03	.78
Basic earnings per share, pro forma	.37	.33	1.02	.78
Diluted earnings per share, pro forma	.37	.32	1.01	.75

</TABLE>

Note 4. Income Taxes

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

(Dollar amounts in thousands, except per share data)

Note 5. Earnings Per Share

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net income	$ 12,289	$ 10,558	$ 33,174	$ 24,786
Weighted-average common shares outstanding	31,845,791	31,041,705	31,523,848	30,644,509
Dilutive securities, primarily stock options	497,032	960,063	664,760	1,078,751
Diluted weighted-average common shares outstanding	32,342,823	32,001,768	32,188,608	31,723,260
Basic earnings per share	$ .38	$ .34	$1.05	$ .81
Diluted earnings per share	$ .38	.33	$1.03	$ .78
Diluted earnings per share before change in accounting	$ .38	$ .33	$1.03	$ .88

</TABLE>

Note 6. Segment Information

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

Note 6. Segment Information, continued

(Dollar amounts in thousands, except per share data)

Information about the Company's segments follows:
<TABLE>
<CAPTION>

<S>	Three Months Ended June 30, 2003 <C>	Three Months Ended June 30, 2002 <C>	Nine Months Ended June 30, 2003 <C>	Nine Months Ended June 30, 2002 <C>
Sales to external customers:				
Bronze	$ 49,978	$ 50,747	$ 137,699	$ 136,519
York Casket	28,661	31,576	92,437	73,995
Cremation	4,374	4,867	15,052	12,813
Graphics Imaging	24,718	24,228	71,705	70,000
Marking Products	8,414	7,407	23,906	20,927
	$ 116,145	$ 118,825	$ 340,799	$ 314,254

<CAPTION>

<S>	Three Months Ended June 30, 2003 <C>	Three Months Ended June 30, 2002 <C>	Nine Months Ended June 30, 2003 <C>	Nine Months Ended June 30, 2002 <C>
Operating profit:				
Bronze	$ 14,278	$ 12,609	$ 35,461	$ 31,043
York Casket	2,863	3,337	10,013	8,243
Cremation	175	(276)	887	48
Graphics Imaging	3,178	2,423	9,506	7,518
Marking Products	1,079	804	3,018	2,673
	$ 21,573	$ 18,897	$ 58,885	$ 49,525

</TABLE>

Note 7. Comprehensive Income

Comprehensive income consists of net income adjusted for changes, net of tax, in cumulative foreign currency translation, unrealized investment gains and losses and minimum pension liability. For the three months ended June 30, 2003 and 2002, comprehensive income was $16,878 and $16,328, respectively. For the nine months ended June 30, 2003 and 2002, comprehensive income was $43,628 and $29,048 respectively.

Note 8. Restructuring and Relocation Costs

Accrued reserves for restructuring and relocation costs were $2,042 at June 30, 2003 and $3,680 at September 30, 2002. Fiscal 2003 activity reflected additional restructuring reserves of $325 and charges incurred of $1,963 applied against the reserves.

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

(Dollar amounts in thousands, except per share data)

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

Note 9. Acquisitions and Disposition

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

Note 9. Acquisitions and Disposition, continued

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

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Sales	$ 116,145	$ 118,825	$ 340,799	$ 335,921
Income before change in accounting	12,289	10,558	33,174	28,014
Net Income	12,289	10,558	33,174	24,788
Earnings Per Share before change in accounting	0.38	0.33	1.03	0.88
Earnings Per Diluted Share	0.38	0.33	1.03	0.78

(Dollar amounts in thousands, except per share data)

</TABLE>

These unaudited pro-forma results have been prepared for comparative purposes only and include certain adjustments, such as interest expense on acquisition debt. The pro-forma results include non-recurring property, plant and equipment write-offs and plant closure and restructuring charges for York Casket of $1,270 for the nine months ended June 30, 2002. The pro-forma information does not purport to be indicative of the results of operations which actually would have resulted had the acquisition occurred on the date indicated, or which may result in the future.

In May 1998, Matthews acquired a 50% interest in O.N.E. Color Communications, L.L.C. ("O.N.E."), a digital graphics service company located in Oakland, California. The purchase price consisted of $2,000 cash upon closing plus an additional $2,750 in 2001, which was based on the attainment of certain operating performance levels of O.N.E. The purchase agreement also required Matthews to acquire the remaining 50% interest no later than May 2004, with the purchase price contingent on the attainment of certain operating performance levels of O.N.E., but not less than $4,500. The accounts of O.N.E. have been included in the consolidated financial statements of Matthews since May 1998 and a liability was recorded for the future minimum payout. Effective July 31, 2003, Matthews completed the purchase of the remaining 50% interest in O.N.E. for $5,715.

In July 2003, the Company sold its Graphics Imaging segment facility in La Palma, California for $3,200. The transaction will be recorded in the Company's fourth quarter.

In August 2003, Matthews acquired Reproservice Eurodigital GmbH Munchen ("Reproservice Munich"), a German graphics and flexographic printing plate manufacturer located in Munich, Germany. Reproservice Munich has annual sales of approximately U.S.$6,000. Products and services of Reproservice Munich include pre-press packaging; digital and analog flexographic printing plates; design, art work, lithography and color separation.

Note 10. Goodwill and Other Intangible Assets

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

Changes to goodwill, net of accumulated amortization, during the nine months ended June 30, 2003 follow.

<TABLE>
<CAPTION>

	Bronze	York Casket	Cremation	Graphics Imaging	Marking Products	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Goodwill:						
Balance at September 30, 2002	$ 68,516	$ 39,313	$ 6,402	$ 30,564	$ 165	$144,960
Additions during period	-	-	-	-	-	-

Translation and other adjustments	3,321	1,831	-	3,465	-	8,617
Balance at June 30, 2003	$ 71,837	$ 41,144	$ 6,402	$ 34,029	$ 165	$153,577

</TABLE>

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

	Carrying Amount	Accumulated Amortization
Trade names	$ 8,000	$ - *
Customer relationships	4,100	(382)
Copyrights/patents/other	1,600	(169)
	$ 13,700	$ (551)

* Not subject to amortization

Other intangible assets consisted of customer relationships, trade names and copyrights, patents and other of $12,881 for the York Casket segment and copyrights, patents and other of $268 for the Cremation segment. The customer relationships and copyrights, patents and other are amortized over their estimated useful lives of 17 years and 15 years, respectively.

Note 10. Goodwill and Other Intangible Assets, continued

Amortization expense for the three-month period ended June 30, 2003 for customer relationships and copyrights, patents, and other was $60 and $27, respectively. Amortization expense for the nine-month period ended June 30, 2003 for customer relationships and copyrights, patents and other was $181 and $80, respectively. Amortization expense for intangible assets is expected to approximate $350 each year between 2003 and 2008.

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

Cautionary Statement:

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

Results Of Operations:

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

	Nine months ended June 30,		Years ended September 30,		
	2003	2002	2002	2001(2)	2000
Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	37.0	37.2	37.5	42.2	44.2
Operating profit	17.3	15.8	15.9	18.8	17.9
Income before taxes (1)	15.9	14.5	14.6	18.2	17.2
Net income (1)	9.7	8.9	8.9	11.2	10.5

(1) Before cumulative effect of change in accounting. The nine months ended June 30, 2002 reflects a pre-tax charge of $5.3 million ($.10 per share after tax) for transitional goodwill impairment (see "Goodwill").
(2) Fiscal 2001 included after-tax income of $300,000 ($.01 per share) from special items, which consisted of a pre-tax gain of $7.1 million on the sale of a subsidiary and asset impairments, restructuring costs and other special pre-tax charges totaling $6.6 million.

Sales for the nine months ended June 30, 2003 were $340.8 million and were $26.5 million, or 8.4%, higher than sales of $314.3 million for the nine months ended June 30, 2002. The increase primarily related to the acquisition of The York Group, Inc. ("York Casket") on December 3, 2001 and higher foreign currency exchange rates. The first nine months of fiscal 2003 reflected nine months of activity for York Casket compared to seven months for the same period a year ago. For the third quarter and first nine months of fiscal 2003, higher foreign currency values against the U.S. dollar had a favorable impact of approximately $4.3 million and $10.5 million, respectively, on the Company's consolidated sales compared to the same periods in fiscal 2002.

Results of Operations, continued:

Sales for the York Casket segment were $92.4 million for the first nine months of fiscal 2003 compared to $74.0 million for the same period last year. However, for the quarter ended June 30, 2003, York Casket sales were $2.9 million, or 9.2%, lower than the same quarter a year ago primarily reflecting a decline in metal casket and casket component sales. Bronze segment sales for the first nine months of fiscal 2003 were $137.7 million compared to $136.5 million for the first nine months of fiscal 2002. The slight increase of approximately 1.0% in Bronze sales reflected the favorable impact of increases in the values of the Euro and the Australian and Canadian dollars against the U.S. dollar offset partially by a decline in mausoleums sales, the divestiture of the segment's granite import business in fiscal 2002 and the divestiture of a Canadian niche bank and columbarium business in October 2002. Sales for the Graphics Imaging segment in the first nine months of fiscal 2003 were $71.7 million, compared to $70.0 million for the same period a year ago. The increase primarily reflected higher sales in the segment's European operations combined with an increase in the value of the Euro against the U.S. dollar. These increases were partially offset by lower sales in the segment's domestic operations, which primarily related to weak demand and price pressure in the United States primary and corrugated packaging markets and the closure, in October 2002, of an unprofitable manufacturing business in Southern California. Marking Products segment sales for the nine months ended June 30, 2003 were $23.9 million, compared to $20.9 million for the first nine months of fiscal 2002. The increase of $3.0 million, or 14.2%, was principally due to higher volume, reflecting higher demand in North America and the addition of new distributors in Europe, and higher foreign currency exchange rates. Sales for the Cremation segment were $15.1 million for the first nine months of fiscal 2003 compared to $12.8 million for the same period a year ago. The increase reflected two additional months of cremation casket sales compared to the same period last year as a result of the acquisition of York Casket.

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

Gross profit for the nine months ended June 30, 2003 was $126.0 million, compared to $117.0 million for the nine months ended June 30, 2002. The increase in consolidated gross profit primarily resulted from the acquisition of York Casket, higher sales in the Marking Products and European Graphics Imaging businesses and manufacturing improvements in the Bronze segment. Gross profit for all of the Company's segments increased for the nine-month period. In addition, gross profit for the Bronze segment reflected the benefit of a reduction in the segment's pre-need memorial finishing cost liability due to manufacturing efficiencies. Consolidated gross profit as a percent of sales declined slightly from 37.2% for the first nine months of fiscal 2002 to 37.0% for the first nine months of fiscal 2003. The reduction in the consolidated gross margin principally related to the additional York Casket revenues, which generally have lower margins than other Matthews segments, and an increase in pension and health care costs in fiscal 2003.

Results of Operations, continued:

Selling and administrative expenses for the nine months ended June 30, 2003 were $67.2 million, compared to $67.5 million for the first nine months of fiscal 2002. The slight decline for the period resulted from a combination of factors including the acquisition of York Casket and higher pension and health care costs in all of the Company's segments, offset by lower selling and administrative costs in the Bronze segment. Pension costs were adversely affected by a decline in the Company's pension fund assets during fiscal 2002. Pension costs for the Company's domestic defined benefit plans are projected to be $4.4 million for fiscal 2003, compared to $1.3 million for fiscal 2002. Selling and administrative costs in the Bronze segment were favorably impacted by the divestiture of its granite import business in fiscal 2002 and the divestiture of a Canadian niche bank and columbarium business in October 2002. In addition, in the second quarter of fiscal 2002, the Company recorded a loss of approximately $500,000 on the sale of its granite import business. Consolidated selling and administrative expenses as a percent of sales were 19.7% for the nine months ended June 30, 2003, compared to 21.5% for the same period last year. The reduction principally reflected the addition of York Casket, which has the lowest ratio of selling and administrative costs of any of the Company's segments, as its products are sold primarily through independent distributors.

Operating profit for the nine months ended June 30, 2003 was $58.9 million, representing an increase of $9.4 million, or 18.9%, over operating profit of $49.5 million for the nine months ended June 30, 2002. Bronze segment operating profit for the first nine months of fiscal 2003 was $35.5 million, compared to $31.0 million for the first nine months of fiscal 2002. The increase of 14.2% reflected the segment's higher sales for the period, a reduction in the segment's pre-need memorial finishing cost liability due to manufacturing efficiencies, and the favorable impact of increases in the values of the Euro and the Australian and Canadian dollars against the U.S. dollar. The Bronze segment results were also favorably impacted by the divestiture of its granite import business and its Canadian niche bank and columbarium business. These two businesses generated a combined operating loss of approximately $600,000 in the first nine months of fiscal 2002. Operating profit for the York Casket segment for the first nine months of fiscal 2003 was $10.0 million, an increase of $1.8 million over the same period a year ago. The increase reflected two additional months of results in the first nine months of fiscal 2003 compared to the same period last year. However, operating profit for the York Casket segment declined approximately $500,000 for the third quarter of fiscal 2003 compared to the same quarter last year reflecting lower sales and additional costs (consulting services) incurred for improvements in manufacturing processes. Graphics Imaging operating profit for the nine months ended June 30, 2003 was $9.5 million compared to $7.5 million for the nine months ended June 30, 2002. The segment's operating profit was favorably impacted by sales growth in the Company's European operations combined with an increase in the value of the Euro against the U.S. dollar. Operating profit for the Marking Products segment for the first nine months of fiscal 2003 was $3.0 million, representing an increase of $345,000 over the same period a year ago. The increase of 12.9% resulted from higher sales combined with an increase in the value of the Swedish Krona against the U.S. dollar. Higher foreign currency values against the U.S. dollar had a favorable impact of approximately $2.3 million on the Company's consolidated operating profit for the nine months ended June 30, 2003 compared to the same period a year ago.

Investment income for the nine months ended June 30, 2003 was $985,000, compared to $1.2 million for the nine months ended June 30, 2002. The decline from the prior period reflected lower investment income rates and the prior period included a net gain on the sale of securities.

Results of Operations, continued:

Interest expense for the first nine months of fiscal 2003 was $2.3 million, compared to $3.1 million for the same period last year. The decline in interest expense reflected a lower level of debt during the fiscal 2003 nine-month period combined with a reduction in the average borrowing rate. Other income (deductions), net, for the nine months ended June 30, 2003 represented a reduction in pre-tax income of $129,000, compared to an increase to income of $88,000 for same period last year. Minority interest deduction for the first nine months of fiscal 2003 was $3.3 million, compared to $2.1 million for the first nine months of fiscal 2002. The higher minority interest deduction for fiscal 2003 resulted from operating income growth in the Company's four European Graphics Imaging businesses.

The Company's effective tax rate for the nine months ended June 30, 2003 was

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

Goodwill:

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

Liquidity And Capital Resources:

Net cash provided by operating activities was $32.9 million for the nine months ended June 30, 2003, compared to $40.9 million for the first nine months of fiscal 2002. Operating cash flow for the first nine months of fiscal 2003 reflected net income adjusted for depreciation and amortization (non-cash charges), payments to customers under the York Casket segment's rebate programs, a $7.5 million contribution to the Company's pension plan, and a tax benefit of $5.1 million from exercised stock options. For the nine months ended June 30, 2002, operating cash flow primarily reflected net income adjusted for depreciation, amortization and the non-cash impairment charge recorded for transitional goodwill impairment (see "Goodwill") and a tax benefit of $5.4 million from exercised stock options.

Liquidity And Capital Resources, continued:

Cash used in investing activities was $4.7 million for the nine months ended June 30, 2003, compared to $82.9 million for the nine months ended June 30, 2002. Investing activities for the first nine months of fiscal 2003 primarily included capital expenditures of $6.8 million, which was partially offset by proceeds of $2.3 million from the sale of assets. Investing activities for the first nine months of fiscal 2002 principally reflected payments (net of cash acquired) of $88.2 million in connection with the acquisitions of York Casket (December 2001) and Rudolf Reproflex GmbH (July 2001). Although Rudolf, part of the Graphics Imaging segment, was acquired in fiscal 2001, the purchase price (approximately $11.0 million) was paid in the first quarter of fiscal 2002. Fiscal 2002 investing activities also included capital expenditures of $6.8 million, proceeds of $3.2 million from the sale of assets and proceeds of $9.0 million from the net disposition of investment securities.

Capital expenditures reflected reinvestment in the Company's business segments and were made primarily for the purchase of new manufacturing machinery, equipment and facilities designed to improve product quality, increase manufacturing efficiency, lower production costs and meet regulatory requirements. Capital expenditures for the last three fiscal years were financed through operating cash. Capital spending for property, plant and equipment has averaged $8.3 million for the last three fiscal years. The capital budget for fiscal 2003 is $11.5 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash used in financing activities for the nine months ended June 30, 2003 was $25.6 million, reflecting payments on long-term debt of $31.5 million, treasury stock purchases of $2.2 million and dividends of $2.6 million to the Company's shareholders. These payments were partially offset by proceeds of $10.7 million from the sale of treasury stock (stock option exercises). Cash provided by financing activities for the nine months ended June 30, 2002 was $68.5 million, consisting of proceeds from long-term debt of $124.5 million, repayments of $60.3 million on long-term debt, net proceeds of $6.7 million from the sale of treasury stock (stock option exercises) and dividends of $2.4 million to the Company's shareholders.

On December 3, 2001, the Company entered into a Revolving Credit Facility for $125.0 million with a syndicate of four financial institutions. Borrowings under the facility, which matures on November 30, 2004, bear interest at LIBOR plus a factor ranging from .75% to 1.5% based on the Company's leverage ratio. The leverage ratio is defined as net indebtedness divided by EBITDA (earnings before interest, taxes, depreciation and amortization). The weighted-average interest rate on outstanding borrowings under this facility at June 30, 2003 was 2.2%. The Company is required to pay an annual commitment fee ranging from .20% to .375% (based on the Company's leverage ratio) of the unused portion of the facility. The Revolving Credit Facility requires the Company to maintain minimum levels of consolidated net worth and fixed charge and interest coverage ratios. A portion of the facility (not to exceed $10.0 million) is available for the issuance of trade and standby letters of credit. The Revolving Credit Facility replaced the existing Revolving Credit and Term Loan Agreement. The Company borrowed $124.5 million under the Revolving Credit Facility on December 3, 2001 in connection with the acquisition of York Casket, and for the repayment of all amounts outstanding under its Revolving Credit and Term Loan Agreement. The outstanding balance on the Revolving Credit Facility was $54.5 million at June 30, 2003.

The Company has a line of credit of $500,000 (Canadian dollars), which provides for borrowings at the bank's prime interest rate. There were no borrowings outstanding on this line of credit at June 30, 2003. Caggiati S.p.A. has four lines of credit totaling approximately U.S.$12.0 million with various Italian banks. Outstanding borrowings on these lines approximated $4.5 million at June 30, 2003.

The Company has a stock repurchase program, which was initiated in 1996. Under the program, the Company's Board of Directors has authorized the repurchase of a total of 8,000,000 shares (adjusted for stock splits) of Matthews common stock, of which 7,172,100 shares have been repurchased as of June 30, 2003. The buy-back program is designed to increase shareholder value, enlarge the Company's holdings of its common stock, and add to earnings per share. Repurchased shares may be retained in treasury, utilized for acquisitions, or reissued to employees or other purchasers, subject to the restrictions of the Company's Restated Articles of Incorporation.

Consolidated working capital of the Company was $84.7 million at June 30, 2003, compared to $68.8 million at September 30, 2002. Cash and cash equivalents were $63.9 million at June 30, 2003, compared to $57.1 million at September 30, 2002. The Company's current ratio was 2.1 at June 30, 2003 and 1.8 at September 30, 2002.

Restructuring And Relocation Costs:

Accrued reserves for restructuring and relocation costs were $2.0 million at June 30, 2003 and $3.7 million at September 30, 2002. Fiscal 2003 activity reflected additional restructuring reserves of $325,000 and charges incurred of $2.0 million applied against the reserve. These reserves have been provided for the restructuring, sale or closure of certain of the York Casket segment's operations and facilities, including the disposition of their remaining distribution operations and the relocation of their administrative functions to Pittsburgh, Pennsylvania. The accrued liability, which is included in other current liabilities, includes previously established reserves assumed with the acquisition of the York Casket segment as well as reserves recorded for costs to be incurred as a result of the acquisition. The majority of the restructuring and relocation activities included in the reserves are expected to be completed during fiscal 2003.

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

Environmental Matters:

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

Environmental Matters, continued:

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

At June 30, 2003, an accrual of $11.7 million was recorded for environmental remediation (of which $660,000 has been classified in other current liabilities), representing management's best estimate of the probable and reasonably estimable costs of the Company's known remediation obligations. The accrual, which reflects previously established reserves assumed with the acquisition of York Casket and additional reserves recorded as a purchase accounting adjustment, does not consider the effects of inflation and anticipated expenditures are not discounted to their present value. While final resolution of these contingencies could result in costs different than current accruals, management believes the ultimate outcome will not have a significant effect on the Company's consolidated results of operations or financial position.

Acquisitions and Disposition:

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

In May 1998, Matthews acquired a 50% interest in O.N.E. Color Communications, L.L.C. ("O.N.E."), a digital graphics service company located in Oakland, California. The purchase price consisted of $2.0 million cash upon closing plus an additional $2.75 million in 2001, which was based on the attainment of certain operating performance levels of O.N.E. The purchase agreement also required Matthews to acquire the remaining 50% interest no later than May 2004, with the purchase price contingent on the attainment of certain operating performance levels of O.N.E., but not less than $4.5 million. The accounts of O.N.E. have been included in the consolidated financial statements of Matthews since May 1998 and a liability was recorded for the future minimum payout. Effective July 31, 2003, Matthews completed the purchase of the remaining 50% interest in O.N.E. for $5.7 million.

Acquisitions and Disposition, continued:

In July 2003, the Company sold its Graphics Imaging segment facility in La Palma, California for $3.2 million. The transaction will be recorded in the Company's fiscal 2003 fourth quarter.

In August 2003, Matthews acquired Reproservice Eurodigital GmbH Munchen ("Reproservice Munich"), a German graphics and flexographic printing plate manufacturer located in Munich, Germany. Reproservice Munich has annual sales of approximately U.S.$6 million. Products and services of Reproservice Munich include pre-press packaging; digital and analog flexographic printing plates; design, art work, lithography and color separation. The combination of Matthews and Reproservice Munich is an important part of the Matthews strategy to increase its European presence in the graphics industry.

Forward-Looking Information:

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

For the first nine months of fiscal 2003, the Company's earnings of $1.03 per share were slightly above management's expectations and represented an increase of 17.0% over earnings per share of $0.88 for the same period last year (before change in accounting). Based on the expected impact of the Company's recent acquisitions, anticipated internal growth and also considering the unfavorable impact of changes in pension and health care costs, the Company expects to achieve diluted earnings per share of $1.38 (excluding any favorable impact which could result from the sale of its La Palma facility) for the fiscal year ended September 30, 2003.

FTC Investigation:

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

Critical Accounting Policies:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Therefore, the determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience, economic conditions, and in some cases, actuarial techniques. Actual results may differ from those estimates. A discussion of market risks affecting the Company can be found in "Quantitative and Qualitative Disclosures about Market Risk" in this Quarterly Report on Form 10-Q.

Critical Accounting Policies, continued:

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

Allowance for Doubtful Accounts

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

Long-Lived Assets

Property, plant and equipment, goodwill and other intangible assets are carried at cost. Depreciation on property, plant and equipment is computed primarily on the straight-line method over the estimated useful lives of the assets. Goodwill is no longer amortized, but is subject to periodic review for impairment. Intangible assets are amortized over their estimated useful lives, unless such lives are considered to be indefinite. A significant decline in cash flows generated from these assets may result in a write-down of the carrying values of the related assets.

Pension Costs

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

Estimated Finishing Costs

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

Environmental Reserve

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

Long-Term Contractual Obligations And Commitments:

The following table summarizes the Company's contractual obligations at June 30, 2003, and the effect such obligations are expected to have on its liquidity and cash flows in future periods.

Long-Term Contractual Obligations And Commitments, continued:

<TABLE>
<CAPTION>

	Payments due in fiscal year:				
	Total	2003 (remainder)	2004 to 2005	2006 to 2007	After 2007

<S>	<C>	<C>	<C>	<C>	<C>
Contractual Cash Obligations:		(Dollar amounts in thousands)			
Revolving credit facility	$ 54,500	$ -	$ 54,500	$ -	$ -
Notes payable to banks	14,338	811	3,092	2,758	7,677
Short-term borrowings	4,511	4,511	-	-	-
Capital lease obligations	208	12	168	28	-
Non-cancelable operating leases	8,148	726	3,965	1,589	1,868
Total contractual cash obligations	$ 81,705	$ 6,060	$ 61,725	$ 4,375	$ 9,545

<FN>
The Company also had an obligation to purchase the remaining interest in its 50%-owned affiliate, O.N.E. Color Communications, LLC ("O.N.E.") no later than May 2004. The purchase price was contingent on the attainment of certain operating performance levels of O.N.E., but not less than $4.5 million. A liability was recorded in the consolidated financial statements for the future minimum payout. Effective July 31, 2003, Matthews completed the purchase of the remaining 50% interest in O.N.E. for $5.7 million.
</TABLE>

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

Accounting Pronouncements:

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

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure." This pronouncement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock based employee compensation. SFAS No. 128 also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. This Statement also amends APB Opinion No. 28, "Interim Financial Reporting," to require disclosure about those effects in interim financial information. The disclosure provisions of SFAS No. 148 have been adopted by the Company and are included in this Quarterly Report on Form 10-Q.

Accounting Pronouncements, continued:

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

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

Item 4. Controls and Procedures

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 Rule 13a-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 fiscal quarter ended June 30, 2003 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II - OTHER INFORMATION

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
31.1	Certification of Principle Executive Officer for David M. Kelly
31.2	Certification of Principle Financial Officer for Edward J. Boyle.
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 David M. Kelly.
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 Edward J. Boyle.

(b) Reports on Form 8-K

On April 25, 2003, Matthews filed a Current Report on Form 8-K under Item 5 in connection with a press release to announce the election of Glenn R. Mahone to the Matthews Board of Directors.

On April 25, 2003, Matthews filed a Current Report on Form 8-K under Item 9 in connection with a press release announcing its earnings for the second fiscal quarter of 2003.

On June 25, 2003, Matthews filed a Current Report on Form 8-K under Item 5 to report that David M. Kelly, Chairman of the Board of Directors, President and Chief Executive Officer of Matthews International Corporation, entered into a Rule 10b5-1 Sales Plan dated June 6, 2003, with Goldman Sachs & Co. (Broker) for the sale of 383,333 shares of Matthews International Corporation Common Stock.

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 8/12/03 D.M. Kelly
------------ ---
D.M. Kelly, Chairman of the Board,
President and Chief Executive Officer

Date 8/12/03 E.J. Boyle
------------ ---
E.J. Boyle, Chief Financial Officer,
Secretary and Treasurer

Exhibit 31.1

CERTIFICATION
PRINCIPAL EXECUTIVE OFFICER

I, David M. Kelly, certify that:

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

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we 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 quarterly report is being prepared;

b) 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

c) 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 12, 2003

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

Exhibit 31.2

CERTIFICATION

PRINCIPAL FINANCIAL OFFICER

I, Edward J. Boyle, certify that:

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

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we 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 quarterly report is being prepared;

b) 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

c) 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 12, 2003

Edward J. Boyle

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Edward J. Boyle

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 ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David M. Kelly, President and Chief Executive Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

David M. Kelly
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David M. Kelly,
President and Chief Executive Officer

August 12, 2003

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 ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward J. Boyle, Chief Financial Officer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Edward J. Boyle
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Edward J. Boyle,
Chief Financial Officer

August 12, 2003

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.