

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

Form 10-Q

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

For The Quarterly Period Ended March 31, 1997

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 (I.R.S. Employer
incorporation or organization) Identification No.)

TWO NORTHSORE 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 No

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

Class of Common Stock	Outstanding at April 30, 1997
Class A - \$1.00 par value	6,465,171 shares
Class B - \$1.00 par value	2,073,992 shares

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (UNAUDITED)

<TABLE>
<CAPTION>

	March 31, 1997		September 30, 1996	
	<C>	<C>	<C>	<C>
<S>				
ASSETS				
Current assets:				
Cash and cash equivalents		\$ 10,273,814		\$ 12,418,718
Short-term investments		1,115,045		3,079,084
Accounts and notes receivable, net		29,603,077		26,158,666
Inventories:				
Materials and finished goods		\$11,585,804		\$10,424,521

Labor and overhead in process	803,044	879,593
Supplies	532,415	669,080
	-----	-----
	12,921,263	11,973,194
Other current assets	1,995,093	2,130,556
	-----	-----
Total current assets	55,908,292	55,760,218
Investments	31,115,696	35,333,326
Property, plant and equipment: Cost	70,074,945	63,492,651
Less accumulated depreciation	(27,621,616)	(26,169,878)
	-----	-----
	42,453,329	37,322,773
Deferred income taxes and other assets	11,883,408	13,569,805
Goodwill	15,232,846	11,425,587
	-----	-----
Total assets	\$156,593,571	\$153,411,709

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Long-term debt, current maturities	1,469,291	270,092
Accounts payable	4,914,118	6,049,732
Accrued compensation	6,965,010	8,536,221
Accrued income taxes	1,775,331	963,886
Customer prepayments	3,066,701	3,069,904
Other current liabilities	6,178,523	6,021,095
	-----	-----
Total current liabilities	24,368,974	24,910,930

Long-term debt	3,241,343	-
Estimated finishing costs	3,047,765	2,954,299
Postretirement benefits	20,676,982	21,005,067
Other liabilities	2,358,502	2,082,370

Shareholders' equity:

Common stock: Class A, par value \$1.00	6,749,718	6,039,542
Class B, par value \$1.00	2,333,780	3,043,956
Other shareholders' equity	93,816,507	93,375,545
	-----	-----
	102,900,005	102,459,043

Total liabilities and shareholders' equity	\$156,593,571	\$153,411,709
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/TABLE

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

<TABLE>

<CAPTION>

	Three Months Ended March 31,		Six Months Ended March 31,	
	1997	1996	1997	1996
	---	---	---	---
<S>	<C>	<C>	<C>	<C>
Sales	\$ 45,427,408	\$ 42,791,474	\$ 88,010,203	\$ 83,976,824
Cost of sales	25,190,209	23,819,715	48,909,586	46,421,717
	-----	-----	-----	-----
Gross Profit	20,237,199	18,971,759	39,100,617	37,555,107
Selling and administrative expenses	12,351,992	12,125,473	24,601,652	24,256,568
	-----	-----	-----	-----
Operating profit	7,885,207	6,846,286	14,498,965	13,298,539
Investment income	626,940	687,265	1,231,359	1,146,656
Interest expense	(14,334)	(46,337)	(26,364)	(67,696)

Other income (deductions), net	(185,397)	5,728,085	(281,201)	5,673,319
Minority interest	(81,369)	-	(81,369)	-
Income before income taxes	8,231,047	13,215,299	15,341,390	20,050,818
Income taxes	3,218,054	5,839,254	6,023,989	8,428,784
Net income	\$ 5,012,993	\$ 7,376,045	\$ 9,317,401	\$ 11,622,034

Earnings per share	\$.58	\$.83	\$ 1.07	\$ 1.31
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Dividends per share	\$.08	\$.07	\$.16	\$.14
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Weighted average number of common shares outstanding	8,663,327	8,880,821	8,702,452	8,867,762
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</TABLE>

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

<TABLE>

<CAPTION>

Six Months Ended
March 31,

1997	1996
------	------

<C>	<C>
-----	-----

Cash flows from operating activities:

Net income	\$ 9,317,401	\$ 11,622,034
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,700,291	4,761,738
Deferred taxes	208,135	258,312
Net increase in certain working capital items	(4,483,005)	(671,665)
(Increase) decrease in other noncurrent assets	1,470,614	(127,266)
Increase in estimated finishing costs	93,466	211,312
Increase (decrease) in other liabilities	450,339	(409,551)
Increase (decrease) in postretirement benefits	(328,085)	411,718
(Gain) loss on sales of property, plant and equipment	82,281	(233,145)
Net (gain) loss on investments	(35,959)	38,802
Gain on sale of subsidiary	-	(9,409,058)
Effect of exchange rate changes on operations	(283,598)	(329,898)
Net cash provided by operating activities	9,191,880	6,123,333

Cash flows from investing activities:

Acquisitions of property, plant and equipment	(3,364,619)	(2,327,439)
Acquisitions, net of cash acquired	(3,892,198)	(3,482,330)
Proceeds from disposals of property, plant and equipment	14,920	428,867
Investments	(952,961)	(42,568,977)
Proceeds from disposition of investments	7,206,173	5,176,200
Proceeds from sale of subsidiary	-	13,070,853
Collections on loans to officers and employees	280,777	951,931
Net cash used in investing activities	(707,908)	(28,750,895)

Cash flows from financing activities:

Payments on long-term debt	(2,052,365)	(215,192)
Proceeds from the sale of treasury stock	776,625	108,250
Purchases of treasury stock	(7,736,276)	(1,075,000)
Dividends paid	(1,382,596)	(1,250,731)

Net cash used in financing activities	(10,394,612)	(2,432,673)
Effect of exchange rate changes on cash	(234,264)	94,094
Net decrease in cash and cash equivalents	<u>\$(2,144,904)</u>	<u>\$(24,966,141)</u>

Supplemental Cash Flow Information:

Cash paid during the period for:

Interest	\$ 26,364	\$ 67,696
Income Taxes	4,894,978	5,269,205

</TABLE>

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1997

Note 1. Nature of Operations

Matthews International Corporation, 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, Graphic Systems and Marking Products. The Bronze segment is a leading manufacturer of cast bronze memorial products, crematories and cremation-related products. The Graphic Systems segment manufactures and provides custom identification-related products, pre-press services and imaging systems used by the corrugated and flexible packaging industries. The Marking Products segment designs, manufactures and distributes a wide range of equipment and consumables used by customers to mark or identify various consumer and industrial products, components and packaging containers. The Company has sales and manufacturing facilities in the United States, Canada, Australia and Sweden as well as sales and distribution operations in France and the United Kingdom.

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 and six-month periods ended March 31, 1997 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 1997. 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, 1996.

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. 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 39.3% and the Federal statutory rate of 35% primarily reflects the impact of state and foreign income taxes.

Note 4. Acquisition

On January 31, 1997, Matthews International Corporation acquired 50% of Tukaiz Litho, Inc. ("Tukaiz"), a Chicago-based pre-press and pre-media firm. The remaining 50% will continue to be owned by the existing president and chief executive officer of Tukaiz. The transaction was structured as an asset purchase with the purchase price consisting of \$4.0 million cash and the assumption of a 50% interest, approximately \$4.0 million, in certain of the liabilities of Tukaiz. The parties have each contributed their respective 50% interests into a newly-formed Illinois limited liability company, Tukaiz Communications, L.L.C. Matthews also provided the new company with subordinated convertible debt of \$5.5 million. Matthews has accounted for this acquisition using the purchase method and, accordingly, has recorded the acquired assets and liabilities at their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets was recorded as goodwill to be amortized on a straight-line basis over 25 years. The accounts of Tukaiz have been included in the consolidated financial statements of Matthews.

Note 5. Supplemental Cash Flow Information

On March 25, 1996, the Company issued 213,862 shares of authorized Class A common stock, with a value of \$5.4 million, in connection with the acquisition of Industrial Equipment and Engineering Company, Inc.

Note 6. Reclassifications

Certain amounts in the 1996 consolidated financial statements have been reclassified to conform to the current year presentation.

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

Results of Operations

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

	Six months ended		Years ended			
	March 31,		September 30,			
	1997	1996	1996	1995	1994	
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	
Gross profit	44.4	44.7	44.6	44.8	45.1	
Operating profit	16.5	15.8	15.6	14.7	15.1	
Income before income taxes		17.4	23.9	19.5	15.0	14.9
Net income	10.6	13.8	11.8	9.3	8.8	

Sales for the six months ended March 31, 1997 were \$88.0 million and were \$4.0 million, or 4.8%, higher than sales of \$84.0 million for the first six months of fiscal 1996. The increase for the first six months of fiscal 1997 reflected higher sales in the Company's Bronze and Graphic Systems segments. Bronze segment sales were up 17% over the first half of fiscal 1996, primarily reflecting higher volume of memorial products as well as sales by Industrial Equipment and Engineering Company, Inc. ("IEEC") of crematories and cremation-related products. Fiscal 1997 revenues of IEEC, which was acquired in March 1996, also reflected sales of All Crematory Corporation, which was acquired in August 1996. Sales for the Bronze segment increased over the prior year despite the absence of Sunland Memorial Park, Inc. (the Company's only cemetery/mortuary facility) which was sold in January 1996. Graphic Systems segment sales for the six months ended March 31, 1997 increased 8% over the same period last year principally due to the acquisition of a 50% interest in Tukaiz Litho, Inc. ("Tukaiz") on January 31, 1997 (See

"Acquisition"). Marking Products sales for the first six months of fiscal 1997 declined approximately 19% from the first six months of fiscal 1996. The decrease in sales for Marking Products resulted from the sale of the segment's label printer application business in September 1996 and the Company's decision in September 1996 to liquidate its German subsidiary. The label printer application business had historically produced marginal results for the Company and the German subsidiary had accumulated significant losses during the past few years.

Gross profit for the six months ended March 31, 1997 was \$39.1 million, or 44.4% of sales, compared to \$37.6 million, or 44.7% of sales, for the first six months of fiscal 1996. The increase of \$1.5 million, or 4.1%, was attributable to higher gross profits in the Bronze and Graphic Systems segments. Bronze gross profit improved as a result of higher sales of memorial products and increased sales from IEEC. Gross profit for the Graphic Systems segment increased as a result of the acquisition of Tukaiz and gross profit for the Marking Products segment declined from the first half of fiscal 1996 as a result of lower sales.

Selling and administrative expenses for the six months ended March 31, 1997 were \$24.6 million, representing an increase of \$345,000, or 1.4%, over \$24.3 million for the first six months of fiscal 1996. Selling and administrative expenses for the Bronze segment increased over the first half of fiscal 1996 reflecting the additions of IEEC and All Crematory Corporation. Graphic Systems expenses also increased for the period reflecting higher selling costs and the acquisition of Tukaiz. These increases were offset by reductions in Marking Products selling and administrative costs with the disposition of the label printer application business and the liquidation of the German subsidiary.

Operating profit for the six months ended March 31, 1997 was \$14.5 million and was \$1.2 million, or 9.0%, higher than the first six months of fiscal 1996. Operating profit for the Bronze segment was higher for the period reflecting the increase in sales. Operating profit for the Marking Products segment also improved principally as a result of the disposition of the label printer application business and the liquidation of the German subsidiary. Operating profit of the Graphic Systems segment declined slightly from the same period a year ago reflecting increased selling and administrative costs. However, the segment's operating profit for the fiscal 1997 second quarter improved from the same period a year ago as a result the acquisition of Tukaiz. Consolidated operating profit for the first six months of fiscal 1997 also reflected the favorable impact of changes to the retiree medical plan which were approved by the Board of Directors in September 1996. These changes, which provide additional plan options while limiting future Company contributions to retiree benefits, have reduced net periodic postretirement benefit cost from the prior year. This reduction was partially offset by costs associated with the Company's implementation of a 401(k) employee savings plan and related Company contributions.

Investment income for the first six months of fiscal 1997 was \$1.2 million, compared to \$1.1 million for the first six months of fiscal 1996. The increase reflects a higher average cash and investment position during the current period and a higher rate of return as a result of a shift in the Company's investments in December 1995 to short-term and intermediate-term securities of the U.S. government and its agencies and corporate obligations. These investments are designed to improve the investment rate of return on the Company's excess cash position while maintaining a sufficient degree of liquidity for future cash needs.

Interest expense for the six months ended March 31, 1997 was approximately \$26,000, compared to \$68,000 for the first six months of fiscal 1996. Interest expense principally relates to the Company's capital lease obligations.

Other income (deductions), net for the six months ended March 31, 1997 represented a net reduction to pre-tax income of \$281,000 compared to a net increase of \$5.7 million for the first six months of fiscal 1996. Other income for the first six months of fiscal 1996 reflected a \$9.4 million pre-tax gain on the sale of Sunland Memorial Park, Inc. This gain was partially offset by the write-off of the remaining goodwill with respect to the Company's investment in its Swedish subsidiary and a charge for certain

other non-operating expenses during the period.

The Company's effective tax rate for the first six months of fiscal 1997 was 39.3%, compared to 39.6% for the year ended September 30, 1996. The difference between the Company's effective tax rate and the Federal statutory rate of 35% primarily reflects the impact of state and foreign income taxes.

Liquidity and Capital Resources

Net cash provided by operating activities was \$9.2 million for the six months ended March 31, 1997, compared to \$6.1 million for the first six months of fiscal 1996. The increase in operating cash flow for the current period principally reflected the improvement in operating profit over the prior year.

Cash used in investing activities was approximately \$708,000 for the six months ended March 31, 1997 compared to \$28.8 million for the same period a year ago. Investing activities for the first six months of fiscal 1997 primarily reflected the acquisition of Tukaiz (See "Acquisition"), capital expenditures of \$3.4 million and net proceeds from investment activities of \$6.3 million.

Investing activities for the six months ended March 31, 1996 included capital expenditures of \$2.3 million; the acquisition of IEEC for 213,862 shares of authorized Matthews Class A common stock (approximately \$5.4 million) and \$3.6 million cash; the purchase of 40% of the common stock of Applied Technology Developments, Ltd. for \$1.6 million; and investments of \$35.8 million in short-term and intermediate-term securities of the U.S. government and its agencies and corporate obligations. Investing activities for the six months ended March 31, 1996 also included the sale of the Company's cemetery and mortuary facility in Arizona for \$13.1 million.

Capital spending for property, plant and equipment has averaged approximately \$5.1 million for the last three fiscal years. The capital budget of the Company for fiscal 1997 is \$8.8 million. The Company expects to generate sufficient cash from operations to fund all anticipated capital spending projects.

Cash used in financing activities for the six months ended March 31, 1997 was \$10.4 million which included net treasury stock purchases totaling \$7.0 million and dividends of \$1.4 million. The Company paid dividends of \$.08 per share in each of the first two quarters of fiscal 1997. In March 1997, the Company announced that the Board of Directors approved a continuation of its limited stock repurchase program. The original stock repurchase program announced in May 1996 for 500,000 has been substantially completed. The second program authorizes the Company to purchase up to an additional 500,000 shares of its Class A and Class B common stock. The buy-back program is designed to increase shareholder value and enlarge the Company's holdings of its Class A and Class B common stock for retention in treasury, use in acquisitions or reissuance to employees or other purchasers. In addition, financing activities included payments on long-term debt of \$2.1 million. In connection with the acquisition of Tukaiz, the Company assumed 50% of certain liabilities which included capital lease obligations totaling \$4.5 million and bank borrowings of \$2.1 million. The bank borrowings were repaid from the \$5.5 million intercompany debt provided from Matthews to Tukaiz.

Cash used in financing activities in the first six months of fiscal 1996 was \$2.4 million, consisting principally of treasury stock purchases of \$1.0 million and dividends of \$1.3 million. The Company paid dividends of \$.07 per share in each of the first two quarters of fiscal 1996.

The Company currently has available lines of credit of approximately \$11 million. There were no outstanding borrowings on any of the Company's lines of credit at March 31, 1997. At March 31, 1997 and September 30, 1996 and 1995, the Company's current ratio was 2.3, 2.2 and 3.5, respectively. The Company had cash and cash equivalents at March 31, 1997 and September 30, 1996 of \$10.3 million and \$12.4 million, respectively. Net working capital at March 31, 1997 was \$31.5 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.

Acquisition

On January 31, 1997, Matthews International Corporation acquired 50% of Tukaiz Litho, Inc. ("Tukaiz"), a leading Chicago-based pre-press and pre-media firm. A pre-press firm prepares art or digital files for printing or reproduction. The remaining 50% will continue to be owned by the existing president and chief executive officer of Tukaiz. The transaction was structured as an asset purchase with the purchase price consisting of \$4.0 million cash and the assumption of a 50% interest, approximately \$4.0 million, in certain of the Company's liabilities. The parties have each contributed their respective 50% interests into a newly-formed Illinois limited liability company, Tukaiz Communications, L.L.C. Matthews also agreed to provide the new company with subordinated convertible debt of \$5.5 million. Matthews has accounted for this acquisition using the purchase method and, accordingly, has recorded the acquired assets and liabilities at their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets was recorded as goodwill to be amortized on a straight-line basis over 25 years.

Tukaiz has annual sales of approximately \$16.5 million and is headquartered in Franklin Park, Illinois. The combination of the Company's Graphic Systems business and Tukaiz is designed to create a leader in the graphics industry, providing a unique array of pre-press and pre-media services to ad agencies, manufacturers, printers and publishers. These services include creative design, audio, video, animation, multimedia, digital photography, web site service and on-demand digital printing.

PART II - OTHER INFORMATION

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

The Annual Meeting of the Shareholders of Matthews International Corporation was held on February 22, 1997. Total shares eligible for vote at such meeting were:

Class A Common Stock (one vote per share)	6,148,784 shares
Class B Common Stock (ten votes per share)	2,581,977 shares

The matters voted upon at such meeting were as follows:

1. Election of Directors:

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

Nominee	Term Expiration	Votes	
		For	Withhold Authority
G.D. Barefoot	2000	24,424,835	1,589,024
T.N. Kennedy	2000	25,022,965	990,894
W.J. Stallkamp	2000	25,427,315	586,544

The terms of the following additional directors continued after the meeting: D.M. Kelly, W.A. Coates, D.J. DeCarlo, J.P. O'Leary, Jr., and J.L. Parker.

2. Adoption of Amendments to the 1992 Stock Incentive Plan:

At its meeting held December 13, 1996, the Board of Directors adopted and recommended for shareholder approval amendments to the 1992 Stock Incentive Plan. The shareholders voted to adopt these amendments.

Votes For:	21,351,788
Votes Against:	3,324,426
Abstaining:	699,974
Broker Non-Votes:	637,671

3. Selection of Auditors:

The shareholders voted to ratify the appointment by the Board of

Directors of Coopers & Lybrand as independent certified public accountants to audit the records of the Company for the year ending September 30, 1997.

Votes For: 25,566,088
Votes Against: 176,992
Abstaining: 270,779

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following Exhibits to this report are filed herewith or incorporated by reference:

Exhibit

No. Description

- 10.1 Asset Purchase Agreement among TKZ Holding Corp., Tukaiz Litho, Inc. and Michael Viallo, incorporated by reference to Exhibit No. 10.1 to Form 10-Q for the quarter ended December 31, 1996
- 10.2 Membership Interest Agreement among TKZ Holding Corp., Tukaiz Litho, Inc., Frank Defino, Sr. and Tukaiz Communications, L.L.C., incorporated by reference to Exhibit No. 10.2 to Form 10-Q for the quarter ended December 31, 1996
- 10.3 Subordinated Convertible Note from Tukaiz Communications, L.L.C. in favor of Venetian Investment Corporation, incorporated by reference to Exhibit No. 10.3 to Form 10-Q for the quarter ended December 31, 1996
- 10.4 Operating Agreement of Tukaiz Communications, L.L.C. between TKZ Holding Corp. and Tukaiz Litho, Inc., incorporated by reference to Exhibit No. 10.4 to Form 10-Q for the quarter ended December 31, 1996
- 11 Computation of Earnings Per Share, filed herewith
- 27 Financial Data Schedule, filed herewith (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 5/12/97

D.M. Kelly

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

Date 5/12/97

E.J. Boyle

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

MATTHEWS INTERNATIONAL CORPORATION AND SUBSIDIARIES
EXHIBIT 11 - COMPUTATION OF EARNINGS PER SHARE
FOR THE SIX MONTHS ENDED MARCH 31, 1997 AND 1996

	1997	1996
	----	----
1. Net income	\$ 9,317,401	\$11,622,034
2. Weighted average number of common shares outstanding during the period	8,702,452	8,867,762
3. Shares issuable upon exercise of dilutive stock options outstanding during period, based on higher of average or period-end values	206,532	183,656
4. Weighted average number of common shares outstanding during the period, assuming full dilution (2 + 3)	8,908,984	9,051,418
5. Primary earnings per share (1 divided by 2)	\$ 1.07	\$ 1.31
6. Fully diluted earnings per share (1 divided by 4)	\$ 1.05	\$ 1.28

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE REGISTRANT'S QUARTERLY REPORT ON FORM 10-Q FOR THE SIX-MONTH PERIOD ENDED MARCH 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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