



Service Corporation International Announces Charges Totalling Approximately \$105 Million; Anticipates at Least \$60 Million in Annualized Savings

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HOUSTON, April 1 /PRNewswire/ -- Service Corporation International (NYSE: SRV) announced today the results of its previously mentioned cost rationalization program in their Management's Discussion and Analysis section of their Form 10-K. The Company expects to report charges in the first quarter of 1999 ranging from \$80 million to \$90 million on a pretax basis as a result of this cost rationalization program. These charges include items such as: severance associated with certain employee involuntary terminations and terminations of individual contractual relationships, charges associated with selected business and facility closures, and charges associated with selected acquisition and construction activities of the Company that have now been terminated. Additionally, the Company announced completion of its repurchase of \$200 million floating rate notes, due 2011 and putable in 1999, also disclosed in the Company's Management's Discussion and Analysis. This repurchase was refinanced under the Company's commercial paper program and is expected to result in an extraordinary charge of \$22.1 million (\$14.3 million net of tax) in the first quarter of 1999.

The future annualized savings from the cost rationalization program currently being implemented is expected to be at least \$60 million on a pretax basis. Additionally, the Company expects an annualized reduction of approximately \$2.5 million in future interest expense associated with the \$200 million debt retirement.

As of December 31, 1998, SCI operated 3,442 funeral service locations, 433 cemeteries and 191 crematoria. SCI provides funeral and cemetery services in 20 countries on five continents.

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