# Service Corporation International Announces Continued Improvement in Cash Flow And Debt Reduction and Results for Fourth Quarter of 2000

March 14, 2001

HOUSTON, March 14 /PRNewswire/ -- Service Corporation International (NYSE: SRV), the world's largest funeral and cemetery company, today announced further improvement in operating free cash flow and debt reduction together with operating results for the three months and twelve months ended December 31, 2000.

The Company finalized its discussions in March 2001 with the Staff of the Securities and Exchange Commission regarding the implementation of Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" (SAB No. 101). The Company's financial results for the full year and the fourth quarter of 2000 reflect the implementation of SAB No. 101 as of January 1, 2000. The financial results for the full year and fourth quarter of 1999 reflect the implementation of SAB No. 101 on a proforma basis. The implementation of SAB No. 101 in the fourth quarter of 2000 had no effect on the Company's consolidated cash flows for the quarter or for the full year. Prior to the implementation of SAB No. 101 and excluding non-recurring items, the Company would have reported proforma earnings of $.50 per diluted share for the full year of 2000 compared to $.86 per diluted share for the full year of 1999. Prior to the implementation of SAB No. 101, the Company would have also reported proforma earnings of $.06 per diluted share for the fourth quarter of 2000 compared to $.10 per diluted share for the fourth quarter of 1999, excluding non-recurring items.

After the implementation of SAB No. 101, for the full year 2000, the Company reported earnings of $.05 per diluted share, compared to proforma earnings of $.28 per diluted share for full year 1999, excluding non-recurring items in both periods. For the fourth quarter of 2000, the Company reported a loss of $.01 per diluted share compared to a proforma loss of $.04 per diluted share for the fourth quarter of 1999, excluding non-recurring items in both quarterly periods.

The Company also reported recurring operating free cash flow of $62.0 million for the full year of 2000, an improvement of over $150 million compared to the full year of 1999. The Company's total debt at December 31, 2000 was $3.29 billion, which represents debt reduction of over $908 million over the previous fifteen months.

Strategic Results and Update

The Company's strategic plan in 2000 was focused on reducing overhead costs, increasing cash flow and reducing debt while at the same time developing key revenue initiatives designed to drive future internal growth in the Company's core funeral and cemetery operations.

Overhead Reduction

The Company's overhead costs include corporate general and administrative costs, regional field overhead costs and other home office costs related to functions directly supporting field operations. Total overhead costs for the full year of 2000 decreased approximately 6.5% compared to the full year of 1999, excluding overhead costs associated with the Company's trust administration functions. The Company received substantial non-recurring receipts in 2000 from the collection of amounts due to the Company from funeral and cemetery trust funds. To accomplish the receipt of these funds, as well as to continue to provide normal trust administration activities, the Company incurred approximately $11.7 million more costs in 2000 related to its trust administration functions compared to 1999. In the first quarter of 2001, the Company outsourced its trust administration functions to KPMG LLP which is expected to reduce future cash overhead costs while at the same time continuing the timely collection of amounts due to the Company from funeral and cemetery trust funds.

Operating Free Cash Flow

During 2000, the Company expected total operating free cash flow to be in the range of $100 million to $250 million, as defined in the Company's Form 10-Q for the third quarter of 2000. The Company's total and recurring operating free cash flow was as follows:

| (In millions) | Full Year 2000 | Full Year 1999 | Improvement |
|---|---|---|---|
| Total Operating Free Cash Flow | $219.7 | ($ 6.5) | $226.2 |
| Recurring Operating Free Cash Flow | $ 62.0 | ($88.7) | $150.7 |

The Company has achieved the improvement of over $225 million in total operating free cash flow through its execution of several cash flow initiatives including the reduction of capital expenditures to maintenance levels, the efficient retrieval of funds due to the Company from certain funeral and cemetery trusts, the realignment of preneed cemetery and prearranged funeral sales structures to become more cash flow positive and the suspension of the Company's quarterly cash dividend and acquisition program.

Included in the Company's total operating free cash flow are receipts of funds that are of a non-recurring nature totaling $157.7 million for the full year of 2000 and $82.2 million of the full year of 1999. These funds relate to the collection of receivables due to the Company from funeral and cemetery trust funds. As expected and reported, the Company's recurring operating free cash flow of $62.0 million for the full year of 2000 is less than the corresponding amount reported for the first nine months of 2000 due to substantial cash interest payments in the fourth quarter of 2000.

Long-Term Debt

The Company expected total debt at the end of 2000 to be in the range of $3.3 billion to $3.6 billion. The Company's debt balances are as follows:

| (In millions) | Peak Debt at Sept. 30, 1999 | Debt at Dec. 31, 1999 | Debt at Dec. 31, 2000 |
|---|---|---|---|
| Current Maturities of LT Debt | $ 88.7 | $ 423.9 | $ 176.8 |
| Long-Term Debt | 4,111.3 | 3,636.1 | 3,114.5 |
| Total Debt | $4,200.0 | $4,060.0 | $3,291.3 |

The Company's debt reduction programs over the past fifteen months have exceeded its expectations with its total debt being reduced by over $908 million or 22% from the Company's peak debt level at September 30, 1999. The Company has achieved this reduction of debt through funds received from its total operating free cash flow and the sale of certain assets and non-core businesses. In 2000, the Company completed the sale of certain loans of its lending subsidiary, the termination or assignment away of certain financial swap agreements, the sale of its insurance subsidiaries and various other asset sales. These transactions produced after tax cash proceeds of $489.4 million in 2000 and, coupled with total operating free cash flow in 2000 were the primary factors that allowed the Company to reduce its debt below its anticipated range of $3.3 billion to $3.6 billion by the end of 2000.

Future Operating Free Cash Flow and Debt Balances

The Company continues to implement existing and additional initiatives in 2001 to increase its recurring operating free cash flow from 2000 levels. These cash flow initiatives are categorized as revenue growth initiatives, working capital improvement, cost reduction initiatives, asset redeployment and management, and enhanced funeral and cemetery trust management. Revenue initiatives include such programs as the Company's Dignity Memorial(TM) packaged funeral plans and the development of affinity relationships. Working capital improvements include programs to accelerate customer collections and deliver pre-sold merchandise to customers to satisfy trusting requirements. Cost reduction initiatives include changes to the Company's employee benefit plans and other overhead reductions primarily related to information technology costs. The Company's operating free cash flow is also expected to increase related to assets being redeployed and managed more efficiently such as cash override payments that will be received as a result of the sale of its insurance subsidiaries and interest savings as a result of proceeds received from divestitures completed in 2000 and from proceeds to be received from the sale of certain North America funeral and cemetery operations announced in January 2001. Enhanced cemetery and funeral trust management will allow the Company to increase operating free cash flow by reducing processing times of trust claims and accelerate trust distributions. As mentioned previously, the Company has outsourced its trust administrative functions to KPMG LLP accomplished in early 2001, which is expected to reduce costs and increase operating free cash flow in the future.

The above cash flow initiatives are designed to increase the Company's recurring operating free cash flow from $62.0 million in 2000 to a range of $200 million to $250 million by the end of 2002. The Company expects recurring operating free cash flow to be in a range of $100 million to $150 million by the end of 2001 as a result of the implementation of its current cash flow initiatives.

The Company is continuing to sell certain funeral and cemetery operations in North America in 2001 that are not well aligned with the Company's long-term strategy. The Company will also continue discussions with various parties concerning the possibility of joint venturing certain of its international operations. Alliances and joint ventures with strategic partners could include groups that could offer unique competitive advantages not previously available to the Company, such as access to customer databases, marketing services and prearrangement financing. Proceeds from any investments made by strategic partners would be used by the Company to reduce its debt.

The Company has already received $131 million of non-recurring funds in 2001 from certain income tax refunds and from the collection of receivables from funeral and cemetery trust funds. With substantial non-recurring receipt of funds expected in 2001, improvements in recurring operating free cash flow, proceeds expected from sales of certain funeral and cemetery operations in North America and proceeds from joint venture programs with the Company's international operations, the Company anticipates reducing its debt from the current level of $3.29 billion to a range of $2.0 billion to $2.5 billion by the end of 2002. Due to the uncertain timing of the planned asset sales and joint venture program with its international operations, the Company is not giving a range at this time of its expected debt balance by the end of 2001.

Commenting on the Company's operating free cash flow and debt reduction goals, SCI Chairman and Chief Executive Officer, Robert L. Waltrip, said:

"We are very pleased with the execution of our strategic plan in 2000 resulting in a $150 million improvement in our recurring operating free cash flow and a 22% reduction of our debt from its peak level in September 1999. We have plans in place and are continuing to implement new plans on a daily basis to further increase our recurring operating free cash flow to levels that will support our outstanding debt. We are also very encouraged by the reception that our proposed international joint venture program is receiving throughout the world. We are currently in serious discussions with several parties that will enhance the future performance of our international operations as well as generate cash proceeds to contribute to our debt reduction goals."

SAB No. 101

As previously stated, the Company has finalized its discussions with the SEC Staff regarding the implementation of SAB No. 101. As a result of these discussions with the SEC Staff, the Company has agreed to change certain of its accounting policies primarily with respect to the timing of revenue recognition related to preneed cemetery sales.

The Company's conclusions regarding the application of SAB No. 101 are fully described in a letter from the Company to the SEC, which was filed on March 12, 2001, as an Exhibit to a Current Report on Form 8-K. Generally, after the implementation of SAB No. 101, the Company will recognize cemetery interment right revenues when at least 10% of the sales price is received in cash from the customer, defer all cemetery merchandise and service revenues and related trust investment revenues until the merchandise is delivered or the services are performed, and recognize cemetery trust investment revenues related to perpetual care funds in the periods distributable by such trusts. Additionally, a component of costs associated with the sales of prearranged funeral and preneed cemetery contracts will be recognized as a period cost when such costs are incurred by the Company.

The conclusions reached with the SEC Staff as a result of SAB No. 101 have been implemented by the Company in the fourth quarter of 2000. As a result, the Company recorded a one time, non-cash charge of $909.3 million as of January 1, 2000 representing the cumulative effect of these accounting changes. From continuing and discontinued operations and excluding non- recurring items, the implementation of these accounting changes had the proforma effect of reducing full year 2000 revenues by $214.8 million, income before income taxes by $194.9 million and earnings per share by $.45 per diluted share. The Company previously estimated this proforma 2000 effect of reducing full year diluted earnings per share by $.29 to $.37 per diluted share. At the time of this estimate, the Company had not finalized its understanding with the SEC regarding the implementation of SAB No. 101, and made certain estimates with regard to the constructed status of over 3,000 cemetery property construction projects across North America. The status of cemetery property construction projects is the key determinant in revenue recognition after the implementation of SAB No. 101, as such projects which have been pre-sold prior to completion of the project are recognized in current revenues in the period the construction is completed and the cemetery property is deemed to be delivered to the customer.

Similarly, from continuing and discontinued operations and excluding non- recurring items, the implementation of these accounting changes had the proforma effect of reducing full year 1999 revenues by $262.8 million, income before income taxes by $252.8 million and earnings per share by $.58 per diluted share. The implementation of SAB No. 101 increased deferred revenues by $2.0 billion resulting in deferred revenues at December 31, 2000 totaling $6.5 billion. At 2000 revenue levels, the Company's deferred revenues now represent approximately 2.5 years of revenue backlog to be recognized by the Company. The SAB No. 101 implementation has had no impact on the cash flows of the Company and has had no impact on the Company's compliance with the covenants contained in the Company's bank credit facility agreements.

Financial Results

| (In millions, except per share amounts) | Three Months Ended December 31, 2000 | Three Months Ended December 31, 1999* | Twelve Months Ended December 31, 2000 | Twelve Months Ended December 31, 1999* |
|---|---|---|---|---|
| Revenues from Continuing Operations | $629.0 | $660.5 | $2,564.7 | $2,745.1 |
| Earnings (Loss) from Continuing and Discontinued Operations Before Non-Recurring Items | ($3.2) | ($13.1) | $14.4 | $74.3 |
| Cumulative Effect of Accounting Changes, Net of Tax | --- | --- | ($909.3) | --- |
| Net Loss | ($421.5) | ($223.3) | ($1,343.3) | ($191.9) |
| Diluted Earnings (Loss) Per Share from Continuing and Discontinued Operations Before Non-Recurring Items | ($.01) | ($.04) | $.05 | $.28 |
| Diluted Loss Per Share | ($1.55) | ($.82) | ($4.93) | ($.70) |

* Amounts reported on a proforma basis after accounting changes.

Funeral

Funeral segment revenues for the fourth quarter of 2000 were $473.7 million compared to proforma revenues of $510.6 million for the fourth quarter of 1999. Funeral segment gross profits were $57.7 million for the three months ended December 31, 2000 compared to proforma gross profits of $71.2 million for the same period of 1999. For the fourth quarter of 2000 compared to the same period of 1999, funeral segment revenues and gross profits were negatively affected by approximately $32.4 million and $1.5 million, respectively, from the adverse effect of foreign currency translations, primarily related to the Euro. Key funeral operating results and statistics for the fourth quarter of 2000 compared to the same period of 1999 are detailed in the following table.

| (Dollars in millions, except average revenue per funeral service) | Three Months Ended December 31, 2000 | Three Months Ended December 31, 1999* | Percentage Increase (Decrease) |
|---|---|---|---|
| North America Funeral Revenues | $300.4 | $295.9 | 1.5% |
| International Funeral Revenues | $173.3 | $214.7 | (19.3%) |
| North America Funeral Gross Profits | $49.5 | $51.8 | (4.4%) |
| International Funeral Gross Profits | $8.2 | $19.4 | (57.7%) |
| North America Funeral Services Performed | 76,453 | 77,329 | (1.1%) |
| European Funeral Services Performed | 62,915 | 69,313 | (9.2%) |

| | | | |
|---|---|---|---|
| North America Average Revenue per Funeral Service | $3,918 | $3,818 | 2.6% |
| European Average Revenue per Funeral Service, Excluding Currency Effect | $3,742 | $3,650 | 2.5% |
| Percentage of North America Funeral Services Performed as Cremations Cases | 36.6% | 34.6% | 5.8% |
| Percentage of North America Funeral Services Performed Previously Prearranged | 28.9% | 28.3% | 2.1% |
| North America Average Revenue per Funeral Service Previously Prearranged | $3,744 | $3,561 | 5.1% |

* Certain amounts reported on a proforma basis after accounting changes.

The increase of 2.6% in the average revenue per funeral service for North America funeral service locations exceeded the Company's expectations in the fourth quarter of 2000 compared to the same proforma period of 1999. The increase in this average revenue per funeral service was the result of the continued roll-out of the Company's Dignity Memorial(TM) packaged funeral plans and a continued concentration on training funeral service personnel on revenue enhancement and customer satisfaction initiatives during such program roll-outs. These and other of the Company's current internal growth initiatives will be discussed in detail during the Company's fourth quarter 2000 conference call to be held on March 15.

The number of funeral services performed in North America funeral service locations was below the Company's expectations in the fourth quarter of 2000. While the Company believes it maintained its respective market share in its North America funeral service markets, the decrease in the number of funeral services performed had a negative effect on funeral service gross profits in the fourth quarter of 2000.

Before the negative effect of foreign currency, the average revenue per funeral service for European funeral service locations in the fourth quarter of 2000 compared to the same proforma period of 1999 was in line with the Company's expectations. The Company continues to experience soft death rates in its European funeral service locations. These declines in the number of funeral services performed are related to a decline in the number of deaths in the Company's United Kingdom funeral service locations, and losses in market share and declines in the number of deaths in the Company's funeral service locations in France. The decline in market share in the Company's French funeral service locations is the result of the continued effect of several changes in government regulations in France, such as certain hospitals now being required to operate mortuaries and increased and new competition as a result of the complete deregulation of the funeral service business in France in January 1998. As previously announced, the Company reorganized leadership of its European operations in the fourth quarter of 2000. The European management team is currently focused on stabilizing the Company's respective market share in its French funeral service locations with such programs as employee incentive compensation at the location level tied to customer satisfaction measurements and location revenues.

Cemetery

Cemetery segment revenues for the fourth quarter of 2000 were $155.3 million compared to proforma revenues of $145.6 million for the fourth quarter of 1999. Cemetery segment gross profits were $8.9 million for the three months ended December 31, 2000 compared to a proforma gross loss of $16.4 million for the same period of 1999.

In the Company's cemetery segment during 2000, the Company focused on actions which would enhance the cash flows of its cemetery operations. Such actions included significant changes to cemetery compensation plans, the concentration on sales of cemetery property and sales of merchandise that can be constructively delivered, as defined by applicable state trusting laws. The result of these actions was an improvement in sales mix that increased cash flows and gross profits in the Company's cemetery operations during the fourth quarter of 2000 compared to the corresponding proforma results in the fourth quarter of 1999. As a percentage of the total value of preneed cemetery contracts in the fourth quarter of 2000, cemetery property sales were 40.5% compared to 36.0% in the fourth quarter of 1999. Conversely, sales of cemetery services as a percentage of the total value of preneed cemetery contracts decreased in the fourth quarter of 2000 to 17.8% from 21.1% in the fourth quarter of 1999. This improvement in sales mix primarily caused the increase in cemetery revenues and gross profits in the fourth quarter of 2000 compared to proforma fourth quarter 1999 levels as, after the implementation of SAB No. 101, constructed cemetery property revenues are generally recognized at the time of sale while cemetery services revenues are deferred until the service is provided.

Non-Recurring Items

For the full year of 2000, the Company recorded several non-recurring items related to extraordinary gains on early extinguishments of debt, net losses associated with the sales of the Company's discontinued insurance operations, estimated losses from the planned divestitures of certain North America funeral homes and cemeteries, the reduction of the carrying value of an equity investment in North America, a loss on the sale of a minority interest in the stock of the Company's United Kingdom operations and certain changes to estimates in the Company's restructuring and non-recurring charges recorded in 1999. The above non-recurring items resulted in the Company incurring charges of $453.1 million on a pretax basis or $1.64 per diluted share for the full year of 2000.

In the fourth quarter of 2000, the Company recorded net non-recurring charges of $504.5 million on a pretax basis or $1.54 per diluted share. The Company recorded estimated net losses of $351.2 million on a pretax basis related to the planned divestitures of certain funeral homes and cemeteries in North America. The estimated losses associated with these planned divestitures are less than the estimates reported by the Company in January 2001 primarily resulting from the reduction to the net assets of these businesses due to the implementation of SAB No. 101. The Company reduced the carrying value in the fourth quarter of 2000 of its equity investment in Arbor Memorial Services Inc. by $83.3 million on a pretax basis. This charge was also less than the estimated charge reported by the Company in January 2001 due to the implementation of SAB No. 101. The sale of the minority interest in the stock of the Company's United Kingdom operations created a pretax loss of $56.7 million recorded in the fourth quarter of 2000. Finally, the Company recorded net charges of $13.3 million as a result of changes in estimates to the Company's restructuring and non-recurring charges recorded in 1999.

For the full year of 1999, the Company recorded non-recurring items related to cost rationalization programs, a provision for loan losses related to the Company's lending subsidiary and extraordinary gains on early extinguishment of debt. These items resulted in the Company recording net non-recurring charges of $398.1 million on a pretax basis or $.98 per diluted share for the full year of 1999, including $311.2 million on a pretax basis or $.78 per diluted share recorded in the fourth quarter of 1999.

Cautionary Statement on Forward-Looking Statements

The statements contained in this press release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be accompanied by words such as "believe", "estimate", "project", "expect", "anticipate" or "predict", that convey the uncertainty of future events or outcomes. These statements are based on assumptions that the Company believes are reasonable; however, many important factors could cause the Company's actual results in the future to differ materially from the forward-looking statements made herein and in any other documents or oral presentations made by, or on behalf of, the Company. Important factors which could cause actual results of the Company to differ materially from those in forward-looking statements include, among others, the following:

1) Changes in general economic conditions, both domestically and internationally, impacting financial markets (e.g. marketable security values, as well as currency and interest rate fluctuations) that could negatively affect the Company, particularly but not limited to, levels of interest expense and negative currency translation effects.
2) Changes in credit relationships impacting the availability of credit and the general availability of credit in the marketplace.
3) The Company's ability to successfully implement and complete all three phases of its strategic plan as defined in the Company's Form 10-Q as of September 30, 2000, including the interest of third parties to enter into and consummate alliances and joint ventures with the Company.
4) The Company's ability to generate expected proceeds from the sale of certain funeral and cemetery operations and to implement plans to improve recurring operating free cash flow.
5) Changes in consumer demand and/or pricing for the Company's products and services caused by several factors, such as changes in local death rates, cremation rates, competitive pressures and local economic conditions.
6) The Company's ability to sell preneed heritage cemetery property which is usually associated with new customers of the Company's cemeteries.
7) The Company's ability to successfully implement ongoing cost reduction initiatives, as well as changes in domestic and international economic, political and/or regulatory environments, which could negatively effect the implementation of the Company's cost reduction initiatives.
8) The Company's ability to successfully implement certain strategic revenue and marketing initiatives resulting in increased volume through its existing facilities.
9) Changes in domestic and international political and/or regulatory environments in which the Company operates, including tax and accounting policies.
10) The Company's ability to successfully exploit its substantial purchasing power with certain of the Company's vendors.

The Company assumes no obligation to publicly update or revise any forward-looking statements made herein or any other forward-looking statements made by the Company.

As of December 31, 2000, SCI affiliates operated 3,611 funeral service locations, 569 cemeteries and 200 crematoria. SCI provides funeral and cemetery services in 18 countries on five continents.

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Other Service Corporation International information and news releases are available through SCI's corporate website at: http://www.sci-corp.com.

SERVICE CORPORATION INTERNATIONAL
CONSOLIDATED STATEMENT OF OPERATIONS

| (In thousands, except per share amounts) | Three Months Ended December 31, 2000 | Three Months Ended December 31, 1999 Proforma | Twelve Months Ended December 31, 2000 | Twelve Months Ended December 31, 1999 Proforma |
|---|---|---|---|---|
| Revenues: | | | | |
| Funeral | $473,717 | $510,599 | $1,911,969 | $2,010,216 |
| Cemetery | 155,272 | 145,564 | 641,267 | 714,140 |
| Lending subsidiary | --- | 4,291 | 11,494 | 20,758 |
| | 628,989 | 660,454 | 2,564,730 | 2,745,114 |
| Gross profit (loss): | | | | |
| Funeral | 57,718 | 71,195 | 266,915 | 290,853 |
| Cemetery | 8,929 | (16,444) | 58,432 | 67,389 |
| Lending subsidiary | --- | (37,223) | 2,295 | (29,467) |
| | 66,647 | 17,528 | 327,642 | 328,775 |
| General and administrative expenses | (19,901) | (26,746) | (79,932) | (82,585) |
| Restructuring charges and non-recurring charges | (447,791) | (272,544) | (461,072) | (362,428) |
| Loss from continuing operations | (401,045) | (281,762) | (213,362) | (116,238) |
| Interest expense | (65,178) | (64,580) | (281,548) | (238,185) |
| Other income | 16,975 | 5,039 | 34,636 | 34,969 |
| Loss on sale of investment | (56,704) | --- | (56,704) | --- |
| | (104,907) | (59,541) | (303,616) | (203,216) |
| Loss from continuing operations before income taxes, extraordinary gains and cumulative effect | (505,952) | (341,303) | (516,978) | (319,454) |
| Income tax benefit | (86,781) | (114,125) | (91,455) | (108,786) |
| Loss from continuing operations before extraordinary gains and cumulative effect | (419,171) | (227,178) | (425,523) | (210,668) |
| Income (loss) from discontinued operations (net of income taxes of ($4,282), $2,705, $6,543 and $12,076, respectively) | (2,369) | 3,861 | 13,347 | 16,927 |
| Loss on disposal of discontinued operations (net of income taxes of $73,839) | --- | --- | (43,733) | --- |
| Extraordinary gains on early | | | | |

| | | | | |
|---|---|---|---|---|
| extinguishments of debt (net of income taxes of $12,630 and $1,071, respectively) | --- | --- | 21,973 | 1,885 |
| Cumulative effect of accounting change, net of income taxes | --- | --- | (909,315) | --- |
| Net loss | $(421,540) | $(223,317) | $(1,343,251) | $(191,856) |
| Earnings per share: | | | | |
| Basic: | | | | |
| Income (loss) from continuing and discontinued operations before non-recurring items | $(.01) | $(.04) | $.05 | $.28 |
| Restructuring charges and non-recurring charges | (1.54) | (.78) | (1.56) | (.99) |
| Loss on disposal of discontinued operations | --- | --- | (.16) | --- |
| Extraordinary gains on early extinguishments of debt | --- | --- | .08 | .01 |
| Cumulative effect of accounting change | --- | --- | (3.34) | --- |
| Net loss | $(1.55) | $(.82) | $(4.93) | $(.70) |
| Diluted: | | | | |
| Income (loss) from continuing and discontinued operations before non-recurring items | $(.01) | $(.04) | $.05 | $.28 |
| Restructuring charges and non-recurring charges | (1.54) | (.78) | (1.56) | (.99) |
| Loss on disposal of discontinued operations | --- | --- | (.16) | --- |
| Extraordinary gains on early extinguishments of debt | --- | --- | .08 | .01 |
| Cumulative effect of accounting change | --- | --- | (3.34) | --- |
| Net loss | $(1.55) | $(.82) | $(4.93) | $(.70) |
| Basic weighted average number of shares | 272,324 | 272,061 | 272,172 | 272,281 |
| Diluted weighted average number of shares | 272,324 | 272,061 | 272,544 | 273,792 |

Geographic segment information was as follows:
(In thousands, except funeral services performed and number of locations)

| | North America | Europe | Other Foreign |
|---|---|---|---|
| Revenues from continuing operations: | | | |
| Three months ended December 31: | | | |
| 2000 | $438,242 | $163,310 | $27,437 |
| Proforma 1999 | 415,253 | 204,973 | 40,228 |
| Change from prior year | $ 22,989 | $(41,663) | $(12,791) |
| Percentage change from prior year | 5.5% | (20.3)% | (31.8)% |

| | | | |
|---|---|---|---|
| Twelve months ended December 31: | | | |
| 2000 | $1,737,014 | $686,199 | $141,517 |
| Proforma 1999 | 1,803,439 | 797,178 | 144,497 |
| Change from prior year | $(66,425) | $ (110,979) | $(2,980) |
| Percentage change from prior year | (3.7)% | (13.9)% | (2.1)% |
| Operating income (loss) from continuing operations: | | | |
| Three months ended December 31 (Excluding effects of restructuring charges): | | | |
| 2000 | $ 41,516 | $7,170 | $(1,940) |
| Proforma 1999 | (32,124) | 13,268 | 9,638 |
| Change from prior year | $ 73,640 | $(6,098) | $(11,578) |
| Percentage change from prior year | 229.2% | (46.0)% | (120.1)% |
| Twelve months ended December 31 (Excluding effects of restructuring charges): | | | |
| 2000 | $187,927 | $40,246 | $19,537 |
| Proforma 1999 | 166,761 | 50,401 | 29,028 |
| Change from prior year | $21,166 | $(10,155) | $(9,491) |
| Percentage change from prior year | 12.7% | (20.1)% | (32.7)% |
| Operating income margin from continuing operations: | | | |
| Three months ended December 31 (Excluding effects of restructuring charges): | | | |
| 2000 | 9.5% | 4.4% | (7.1)% |
| Proforma 1999 | (7.7)% | 6.5% | 24.0% |
| Twelve months ended December 31 (Excluding effects of restructuring charges): | | | |
| 2000 | 10.8% | 5.9% | 13.8% |
| Proforma 1999 | 9.2% | 6.3% | 20.1% |
| Funeral services performed: | | | |
| Three months ended December 31: | | | |
| 2000 | 76,453 | 62,915 | 7,458 |
| 1999 | 77,329 | 69,313 | 7,544 |
| Percentage change from prior year | (1.1)% | (9.2)% | (1.1)% |
| Twelve months ended December 31: | | | |
| 2000 | 304,207 | 263,369 | 30,922 |
| 1999 | 306,762 | 280,273 | 31,042 |
| Percentage change from prior year | (0.8)% | (6.0)% | (0.4)% |
| Number of locations at December 31: | | | |
| 2000 | 2,256 | 1,942 | 182 |
| 1999 | 2,291 | 2,071 | 184 |

SOURCE Service Corporation International
Web site: http: //www.sci-corp.com
Company News On-Call: http: //www.prnewswire.com/comp/104532.html or fax, 800-758-5804, ext. 104532
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