



Service Corporation International Announces a Joint Venture Transaction With Its Australian Operations for \$118.2 Million in Net After Tax Cash Proceeds

May 8, 2001

HOUSTON, May 8 /PRNewswire/ -- Service Corporation International (NYSE: SRV), the world's largest funeral and cemetery company, announced today the completion of a joint venture transaction involving its funeral, cemetery and crematoria operations in Australia. As a result of the transaction, the Company receives approximately \$118.2 million in net after tax cash proceeds, which includes an estimated tax benefit of \$11.3 million. The net after tax proceeds will be used to further reduce the Company's debt.

The Company will receive a 20 percent equity interest in the Australian operations. The Company's existing management team in Australia will continue to manage the funeral, cemetery and crematoria operations. The joint venture transaction was closed today with the Company and a syndicate led by Macquarie Direct Investments Limited, the private equity arm of Macquarie Bank Limited. Macquarie is one of the largest investment banks in Australia with a wide range of activities in the Australian marketplace.

Commenting on the joint venture transaction, SCI Chairman and Chief Executive Officer, Robert L. Waltrip, said:

"We believe that entering into a joint venture with a company of Macquarie's national stature and broad services exposure in Australia will be additive to our Australian operations. We are very pleased to announce our first joint venture transaction as we continue the progress we made in 2000 in the execution of our strategic plan to reduce our debt."

In the transaction, the Company's Australian operations were determined to have an enterprise value of \$131.3 million. In addition to receiving net pretax cash proceeds of \$106.9 million, the Company received securities with a face value of \$24.4 million, which includes a 20 percent equity interest and a 12% subordinated convertible note. The Company's Australian operations had total EBITDA before non-recurring items of \$20.0 million for the year ended December 31, 2000.

Cautionary Statement on Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on assumptions that the Company believes are reasonable. These statements are not, however, guarantees of future performance and actual results may differ materially. The most important factors that may cause actual results to differ from the Company's expectations are listed in the Company's Form 10-K for the year ended December 31, 2000 filed with the Securities and Exchange Commission. The Company assumes no obligation to update or revise any forward-looking statements made herein or any other forward-looking statements made by the Company.

Service Corporation International is the largest provider of death care services in the world. As of December 31, 2000, SCI affiliates operated 3,611 funeral service locations, 569 cemeteries and 200 crematoria 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>.

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