



Service Corporation International Announces Joint Venture and Sales Transactions With Certain European Operations Resulting in \$124.7 Million Of Net After Tax Cash Proceeds

August 6, 2001

HOUSTON, Aug. 6 /PRNewswire/ -- Service Corporation International (NYSE: SRV), the world's largest funeral and cemetery company, announced today the completion of a joint venture transaction with its funeral operations in Spain and Portugal and the sale of its funeral operations in Norway. The Company will receive approximately \$93.1 million of net after tax cash proceeds as a result of the joint venture of its Spanish and Portuguese operations and will receive \$13.1 million of net after tax cash proceeds from the sale of its Norwegian operations. Additionally, the Company entered into a definitive agreement to sell its funeral operations in The Netherlands for approximately \$18.5 million of net after tax cash proceeds. The funding of this transaction is awaiting customary governmental approval in The Netherlands, which is anticipated within the next thirty days. The Company will retain a 15 percent equity interest in its Spanish and Portuguese operations and will not retain an equity interest in its Norwegian or Dutch operations.

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

"We are pleased to complete these transactions with certain of our European operations providing substantial after tax cash proceeds to our Company. These transactions are more examples of our successful execution of our strategic plan resulting in further debt reduction."

The joint venture transaction was closed today with Inversiones Tecnicas Urbanas, S.L., a holding company whose shareholders are Acciona, Caja Madrid, Banco Sabadell and Banco Pastor. Acciona is one of the largest construction companies in Spain, operating in the infrastructure, logistics and telecommunications businesses. Caja Madrid is the second largest Spanish savings bank with total assets in excess of \$74 billion. Banco Sabadell is the sixth largest Spanish financial institution with total assets in excess of \$25 billion. Banco Pastor is a Spanish bank with total assets in excess of \$10 billion.

The Company's combined Spanish and Portuguese operations were determined to have an enterprise value of \$118.7 million in this transaction. These operations performed 21,514 funeral services during 2000 and had total revenues of \$30.2 million and EBITDA before non-recurring items of \$14.4 million for the year ended December 31, 2000. The sale of the 85 percent equity interest in these operations was executed at a multiple of 8 times EBITDA, calculated using after tax cash proceeds and EBITDA before non-recurring items for the year ended December 31, 2000 in local currencies.

The Company's Norwegian operations have been purchased by an investor group led by the head of the Company's Norwegian management team. The definitive agreement for the sale of the Company's funeral operations in The Netherlands was entered into with Monuta Uitvaartgroep N.V., a company established in 1923 that is one of the leading funeral providers in The Netherlands and also provides life and funeral insurance products to consumers.

The purchase price of the Company's Norwegian operations was \$10.8 million. These operations performed 5,018 funeral services during 2000 and had total revenues and EBITDA before non-recurring items of \$9.3 million and \$1.8 million, respectively, for the year ended December 31, 2000. The purchase price of the Company's operations in The Netherlands was \$17.3 million. These operations performed 5,330 funeral services during 2000 and had total revenues of \$14.1 million and EBITDA before non-recurring items of \$2.2 million for the year ended December 31, 2000. The sales of the Company's Norwegian and Dutch operations were executed at multiples of 7.5 and 9 times EBITDA, respectively, calculated using after tax cash proceeds and EBITDA before non-recurring items for the year ended December 31, 2000 in local currencies.

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-Q for the year ended March 31, 2001 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 June 30, 2001, SCI affiliates operated 3,385 funeral service locations, 506 cemeteries and 185 crematoria in 17 countries on four 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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