



Service Corporation International Announces Fourth Quarter Results of \$.09 Per Diluted Share Before Non-Recurring Items and Comments on Outlook for 2002

February 27, 2002

HOUSTON, Feb. 27 /PRNewswire-FirstCall/ -- Service Corporation International (NYSE: SRV), the world's largest funeral and cemetery company, today announced results from continuing operations of \$.09 per diluted share for the fourth quarter of 2001 and \$.23 per diluted share for full year 2001 compared to breakeven earnings per diluted share from continuing operations for the fourth quarter and full year 2000, excluding non-recurring items in all periods. Non-recurring items excluded from results in the referenced periods relate to discontinued operations, non-recurring charges related to restructuring programs or planned sales of businesses, cumulative effects of accounting changes and extraordinary gains on early extinguishment of debt. These non-recurring items are discussed more fully in a separate section at the end of this press release. Including these non-recurring items, the Company reported losses of \$2.03 and \$1.55 per diluted share for the three months ended December 31, 2001 and 2000, respectively, and losses of \$2.10 and \$4.93 per diluted share for the years ended 2001 and 2000, respectively.

Summary of Financial Results

(In millions, except per share amounts)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Total Revenues	\$630.9	\$629.0	\$2,510.3	\$2,564.7
Comparable Revenues (A)	\$620.3	\$568.4	\$2,387.9	\$2,298.7
Earnings (Loss) Before Non-Recurring Items (B)	\$24.9	(\$0.8)	\$66.3	\$1.0
EBITDA Before Non-Recurring Items (B) (C)	\$131.1	\$119.8	\$514.3	\$506.4
Diluted EPS Before Non-Recurring Items (B)	\$.09	\$0.0	\$.23	\$0.0
Net Loss	(\$591.8)	(\$421.5)	(\$597.8)	(\$1,343.3)
Diluted Loss Per Share	(\$2.03)	(\$1.55)	(\$2.10)	(\$4.93)
Total Operating Free Cash Flow (D)	\$35.1	\$42.4	\$332.0	\$219.7
Recurring Operating Free Cash Flow (D)	\$6.1	(\$18.7)	\$170.5	\$62.0
Total Debt (E)			\$2,534.6	\$3,268.1

Prior year amounts in the above table reflect results from continuing operations for comparison purposes, which exclude discontinued insurance operations disposed of by the Company during that year. Definitions and descriptions of pro forma financial information in the above table and elsewhere in this press release are contained in a separate section at the end of this press release.

Funeral Segment

(In millions)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2001	2000	% Change	2001	2000	% Change
Total North America						
Funeral Revenues	\$289.8	\$300.4	(3.5%)	\$1,158.3	\$1,185.1	(2.3%)
Total International						
Funeral Revenues	\$158.4	\$173.3	(8.6%)	\$647.0	\$726.9	(11.0%)
Total Funeral Revenues	\$448.2	\$473.7	(5.4%)	\$1,805.3	\$1,912.0	(5.6%)
Total North America						
Funeral Gross Profits	\$57.4	\$49.5	16.0%	\$207.8	\$220.5	(5.8%)
Total International						
Funeral Gross Profits	\$11.2	\$8.2	36.6%	\$48.6	\$46.4	4.7%
Total Funeral Gross Profits	\$68.6	\$57.7	18.9%	\$256.4	\$266.9	(3.9%)

Comparable North America						
Funeral Revenues	\$281.4	\$279.5	0.7%	\$1,109.4	\$1,104.1	0.5%
Comparable North America						
Funeral Gross Profits	\$57.5	\$49.4	16.4%	\$208.4	\$220.2	(5.4%)
Comparable North America						
Funeral Gross Margin Percentage	20.4%	17.7%		18.8%	19.9%	
Funeral Services Performed:						
Total North America	72,735	76,453	(4.9%)	294,145	304,207	(3.3%)
Comparable North America	70,703	71,149	(0.6%)	282,039	283,280	(0.4%)
Total France	33,871	33,660	0.6%	134,840	138,868	(2.9%)
Comparable France	33,871	33,660	0.6%	134,840	138,418	(2.6%)
Total United Kingdom	16,959	17,286	(1.9%)	71,240	75,061	(5.1%)
Comparable United Kingdom	16,876	17,273	(2.3%)	71,032	72,823	(2.5%)
Percentage of Cremation Cases Performed in North America	37.0%	36.6%		37.0%	36.3%	
Percentage of Previously Prearranged Funeral Services Performed in North America	30.1%	28.9%		29.9%	28.2%	
Average Revenue Per Funeral Service:						
North America	\$3,980	\$3,927	1.4%	\$3,934	\$3,898	0.9%
France, Excluding Currency Effect	\$1,848	\$1,753	5.4%	\$1,816	\$1,724	5.3%
United Kingdom, Excluding Currency Effect	\$1,750	\$1,654	5.8%	\$1,716	\$1,658	3.5%

Comparable North America funeral revenues for the fourth quarter of 2001 were favorably impacted by a 1.4% increase in the average revenue per funeral service partially offset by a decrease of 0.6% in funeral services performed. Comparable North America funeral gross profits for the fourth quarter of 2001 were favorably impacted by approximately \$4.0 million related to a reduction in the Company's allowance for doubtful accounts due to the Company's ongoing successful cash flow initiatives which have resulted in the improved collection of trade receivables. Comparable North America funeral gross profits were also favorably impacted by approximately \$4.5 million from the recognition of general agency commission revenues paid to the Company for prearranged funeral contracts that were in excess of prearranged funeral direct selling costs. Excluding the above \$8.5 million, the comparable North America funeral gross profits and gross margin percentage in the fourth quarter of 2001 were similar to the same period of 2000.

Cemetery Segment

(In millions)

	Three Months Ended			Twelve Months Ended		
	December 31,			December 31,		
	2001	2000	% Change	2001	2000	% Change
Total North America						
Cemetery Revenues	\$162.1	\$137.8	17.6%	\$622.8	\$540.4	15.3%
Total International						
Cemetery Revenues	\$20.6	\$17.5	17.7%	\$82.2	\$100.9	(18.5%)
Total Cemetery Revenues	\$182.7	\$155.3	17.6%	\$705.0	\$641.3	9.9%
Total North America						
Cemetery Gross Profits	\$22.1	\$11.2	97.3%	\$86.7	\$41.5	108.9%
Total International						
Cemetery Gross Profits	\$4.2	\$(2.3)	282.6%	\$16.3	\$16.9	(3.6%)
Total Cemetery Gross						

Profits	\$26.3	\$8.9	195.5%	\$103.0	\$58.4	76.4%
Comparable North America Cemetery Revenues	\$160.1	\$132.7	20.7%	\$608.9	\$522.7	16.5%
Comparable North America Cemetery Gross Profits	\$22.6	\$10.7	111.2%	\$85.2	\$39.7	114.6%
Comparable North America Cemetery Gross Margin Percentage	14.1%	8.1%		14.0%	7.6%	

Comparable North America cemetery revenues for the fourth quarter of 2001 increased by \$27.4 million primarily as a result of increases in the completion of cemetery property development projects, increases in the amount of cash receipts and down payments received from preneed cemetery property sales and changes in estimates of deferred preneed cemetery contract revenues discussed below.

Preneed cemetery property revenues are recognized upon completion of the development of such property coupled with customer payments of at least 10 percent of the total contract amount. Approximately \$14.6 million more revenues in the fourth quarter of 2001 were recognized as a result of the Company's ongoing initiatives to develop new cemetery property in a timely manner and to collect receivables and down payments from customers.

The Company currently has a backlog of approximately \$1.8 billion of deferred preneed cemetery contract revenues relating to obligations to deliver cemetery merchandise and services to customers. In connection with the Company's ongoing review of these obligations in order to collect funds due to the Company from applicable cemetery trust funds, the Company recognized revenues of approximately \$14.8 million in the fourth quarter of 2001 (\$68.5 million in revenues for full year 2001) as a change in estimate of such deferred preneed cemetery contract revenues. The change in estimate above resulted in approximately \$12.2 million of gross profits recognized in the fourth quarter of 2001 (\$54.9 million in gross profits for full year 2001). As part of its ongoing cash flow initiatives, the Company intends to continue the review of these obligations, however, the impact recognized in future periods will depend on the outcome of such reviews (see Outlook for 2002 in a separate section of this press release). Excluding the change in estimate discussed above, the comparable North America cemetery gross profits and gross margin percentage in the fourth quarter of 2001 were generally similar to the same period of 2000.

Other Income and Expenses

Other income was \$2.4 million in the fourth quarter of 2001 compared to \$5.6 million in the same period of 2000. The majority of the \$2.4 million consists of income earned from a cash override agreement the Company has with its divested insurance company related to the sale of prearranged funeral contracts. Other income in the fourth quarter of 2000 included higher interest income from various cash investments and earnings from equity investments divested during 2001.

For the quarters ended December 31, 2001 and 2000, the Company's earnings before non-recurring items included gains from dispositions of \$4.7 million and \$11.4 million, respectively. For the years ended December 31, 2001 and 2000, the Company's earnings before non-recurring items included gains from dispositions of \$16.2 million and \$17.2 million, respectively. The above gains from dispositions in all periods presented were not associated with certain asset disposition programs which resulted in the recognition of impairment charges in previous periods.

General and administrative expenses were \$16.9 million for the fourth quarter of 2001 compared to \$19.9 million for the same period of 2000. The 15.3% decrease in general and administrative expenses primarily related to general cost reductions at the corporate level and the completion of its North America proprietary point of sale systems in 2000.

Interest expense was \$47.2 million for the three months ended December 31, 2001, compared to \$65.2 million for the same period of 2000. The 27.6% decrease in interest expense related to the reduction in the Company's average levels of debt coupled with the effect of lower interest rates.

Operating Free Cash Flow (D)

	Twelve Months Ended		
	December 31,		
	2001	2000	Improvement
Total Operating Free Cash Flow	\$332.0	\$219.7	\$112.3
Recurring Operating Free Cash Flow	\$170.5	\$62.0	\$108.5

The Company's initiatives to increase operating free cash flow continue to exceed expectations. Included in total operating free cash flow of \$332.0 million for the year ended 2001 is \$161.5 million of net non-recurring funds comprised of an approximate \$116.0 million income tax refund and the collection of receivables from funeral and cemetery trust funds of approximately \$79.8 million, offset by non-recurring payments of approximately \$27.9 million related to the Company's curtailed pension plans and \$6.4 million of other non-recurring cash payments. The improvement in recurring operating free cash flow in 2001 of \$108.5 million is primarily a result of (i) increases in the Company's cash flows from operating activities primarily as a result of the Company's working capital improvement initiatives, (ii) reductions in capital expenditure levels, (iii) decreases in payments of cash interest, (iv) reductions in net cash taxes paid, and (v) the acceleration of customer cash receipts as a result of the Company's surety bonding programs for prearranged funeral and preneed cemetery activities. The Company's surety bonding programs increased recurring operating free cash flow by \$34.7 million in 2001 compared to 2000 by accelerating customer cash receipts to the Company in which a portion would have otherwise been required to be placed into trust funds. Recurring operating free cash flow increased \$24.8 million to \$6.1 million in the fourth quarter of 2001 compared to the same period of 2000 primarily as a result of reduced payments of cash interest.

Debt Reduction (E)

	Dec. 31, 2001	Dec. 31, 2000	Debt Reduction
Current Maturities of Long-Term Debt	\$ 220.6	\$ 176.8	

Long-Term Debt	\$2,314.0	\$3,091.3	
Total Debt	\$2,534.6	\$3,268.1	\$733.5

Funds available to achieve the Company's debt reduction in 2001 were primarily generated from (i) the Company's total operating free cash flow, (ii) proceeds from joint ventures of Australia, Spain and Portugal operations, (iii) proceeds from the sale of the Company's operations in Norway, the Netherlands and Belgium, (iv) proceeds from the sale of the Company's equity interest in a Canadian funeral and cemetery company, and (v) proceeds from sales of certain non-strategic funeral and cemetery operations in North America.

Outlook for 2002

The following statements are forward-looking in nature and are based on the Company's current expectations. Actual reported future results could differ materially. See Cautionary Statement on Forward-Looking Statements in a separate section of this press release.

The Company's objectives in 2002 remain consistent with those established in prior years and focus on continued stabilization of the Company's capital structure through continued cash flow improvement, asset divestitures and debt reduction. The Company believes its goal of stabilizing its capital structure will be achieved by having a debt to recurring operating free cash flow ratio of 10:1 or less, which management believes is consistent with a stable "BB" credit rating and general access to the capital markets. To achieve these goals, the Company will continue to use its total operating free cash flow and proceeds from asset sales/joint ventures to reduce its debt. The Company believes it will have several opportunities in the future to use its operating free cash flow to further increase shareholder value.

In light of these goals, the Company intends to operate a core business of high quality funeral homes and cemeteries in North America. The timing of the completion of international and certain North America asset sales/joint ventures to achieve the Company's core North America business strategy is not easily predictable. The Company does believe execution of asset sales/joint ventures for its European businesses is probable in 2002, but believes the marketing program for the disposition of its South America operations could be of a longer duration. Due to this fact, the following table is a general outlook for 2002 made with the assumption the Company's 2002 financial results will contain only the core North America network and current South America businesses (currently owned European businesses are excluded in their entirety for 2002 guidance).

Cash Flows/Debt Reduction

(In millions)

	2001 Actual	Pro Forma
	Source (Use)	Guidance for Retained
		2002 Businesses
		Source (Use)
EBITDA (D)	\$514.3	
Less Gains From Dispositions	(\$16.2)	
Cash Interest	(\$218.4)	
Cash Taxes (Net)	(\$16.2)	
Changes in Working Capital	(\$18.8)	
Maintenance Capital Expenditures	(\$74.2)	
Recurring Operating Free Cash Flow	\$170.5	\$160 - \$180
Growth Capital Expenditures	---	(\$25) - (\$35)
Non-Recurring Cash Flows	\$161.5	\$0 - \$10
Total Operating Free Cash Flow	\$332.0	\$125 - \$165
Total Debt	\$2.5 billion	\$1.8 billion

The retained businesses of 2002 are expected to generate recurring operating free cash flow in 2002 that is comparable with 2001 levels despite increases in expected cash tax payments of \$50 - \$60 million and the net loss of recurring operating free cash flow from actual and potential sales/joint ventures of international operations over and above assumed cash interest savings. The Company expects to produce recurring operating free cash flow of \$200 million in 2003. The future recurring operating free cash flow targets assume the Company continues to access the surety market to procure bonds for prearranged funeral and preneed cemetery activities in those states that allow such bonds, which for the Company are primarily the states of Florida and Alabama. If such access to the surety markets is voluntarily or involuntarily curtailed or interrupted, the Company might have to reassess its future recurring operating free cash flow targets. The retained businesses currently have an annual run-rate of EBITDA (excluding gains from dispositions) of approximately \$400 million consisting of \$390 million from the core North America network and \$10 million from South America operations.

Internal Growth

The Company has several revenue growth initiatives in place designed to organically grow funeral and cemetery revenues. These initiatives are designed to effect revenue drivers for both the funeral and cemetery businesses. The primary revenue drivers for the funeral business are funeral services performed and average revenue per funeral service. The primary revenue drivers for the cemetery business are cemetery interments performed, delivery of cemetery property and merchandise, development of cemetery property inventory sold on a preneed basis, and cash receipts and down payments related to preneed cemetery property sales.

North America funeral revenues are expected to grow in the low single digit percentage range in 2002 based on equivalent funeral services performed and low single digit percentage growth in the average revenue per funeral service. North America cemetery revenues in 2002 are expected to be similar to prior year levels. Increases in the sales of deliverable cemetery property and merchandise and the development of cemetery property inventory in 2002 will be offset by less revenues in 2002 compared to 2001 levels from changes in estimates of the Company's deferred preneed

cemetery contract revenues. As discussed earlier in this release, the Company has an ongoing review program of its obligations for delivery of cemetery merchandise and services to customers in order to collect funds from applicable cemetery trust funds. Revenue recognition is triggered upon evidence of delivery of such merchandise and services.

North America gross margin percentages are expected to improve for funeral and cemetery operations in 2002 as a result of the execution of the Company's business plan and the elimination of \$41.8 million (\$37.5 million after tax) of amortization of North America goodwill under new accounting standards. North America funeral gross margin percentages are expected to be in the 18% - 23 % range for the full year of 2002 and North America cemetery gross margin percentages are expected to be in the 11% - 16% range for the full year of 2002.

Non-Recurring Items and Definitions and Descriptions of Pro Forma Financial Information

Non-recurring items excluded from certain financial information in this press release relate to discontinued operations, non-recurring charges for restructuring activities or planned sales of businesses, cumulative effects of accounting changes and extraordinary gains on early extinguishments of debt. Definitions and descriptions of non-recurring items excluded to reflect pro forma financial information are described in the footnotes in this section. Reconciliations of GAAP financial information to pro forma financial information contained in this press release are detailed in the table below.

(In millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
Total Revenues	\$630.9	\$629.0	\$2,510.3	\$2,564.7
Less: Revenues From Operations Acquired/Constructed After 01/01/00 or Divested Prior to 12/31/01 (A)	(\$10.6)	(\$60.6)	(\$122.4)	(\$266.0)
Comparable Revenues	\$620.3	\$568.4	\$2,387.9	\$2,298.7
Net Loss	(\$591.8)	(\$421.5)	(\$597.8)	(\$1,343.3)
Add Back Non-Recurring Items (After Tax) (B):				
Results of Discontinued Operations	(\$1.7)	\$2.4	(\$1.7)	(\$13.3)
Loss on Sale of Discontinued Operations	---	---	---	\$43.8
Restructuring and Non-Recurring Charges	\$618.4	\$418.3	\$662.9	\$426.5
Cumulative Effects of Accounting Changes	---	---	\$7.6	\$909.3
Extraordinary Gains on Early Extinguishments of Debt	---	---	(\$4.7)	(\$22.0)
Earnings Before Non-Recurring Items	\$24.9	(\$0.8)	\$66.3	\$1.0
Diluted Loss Per Share	(\$2.03)	(\$1.55)	(\$2.10)	(\$4.93)
Add Back Non-Recurring Items:				
Results of Discontinued Operations	(\$0.00)	\$0.01	(\$0.00)	(\$0.05)
Loss on Sale of Discontinued Operations	---	---	---	\$0.16
Restructuring and Non-Recurring Charges	\$2.12	\$1.54	\$2.32	\$1.56
Cumulative Effects of Accounting Changes	---	---	\$0.03	\$3.34
Extraordinary Gains on Early Extinguishments of Debt	---	---	(\$0.02)	(\$0.08)
Diluted EPS Before Non-Recurring Items	\$0.09	(\$0.00)	\$0.23	\$0.00

Definitions and Descriptions of Pro Forma Financial Information

- (A) Comparable results in all periods presented in this press release represent financial results excluding operations that were acquired or constructed after January 1, 2000 or divested by the Company prior to December 31, 2001.
- (B) Non-recurring items relate to discontinued operations, non-recurring charges for restructuring activities or planned sales of businesses,

cumulative effects of accounting changes and extraordinary gains on early extinguishments of debt. These non-recurring items are reconciling differences between GAAP and pro forma financial information throughout this press release. The Company will also consider gains from dispositions as non-recurring items and exclude such gains from certain financial information beginning in 2002.

- (C) EBITDA was calculated for each period presented by adding interest and tax expense back to net income and then adding back depreciation and amortization expense. The Company will exclude gains from dispositions from its EBITDA calculation beginning in 2002.
- (D) Recurring operating free cash flow is calculated by adjusting cash flows provided by operating activities to exclude (i) cash payments associated with the Company's restructuring and non-recurring charges and (ii) other proceeds or payments (included in cash flows provided by operating activities) which are of a non-recurring operational nature, and then subtracting maintenance capital expenditures. Total operating free cash flow is calculated in the same manner as above except with the additional inclusion of all non-recurring cash payments and receipts and non-recurring or growth capital expenditures.
- (E) Total debt at December 31, 2001 includes approximately \$113.5 million of currently maturing debt associated with the financial restructuring of the Company's French subsidiary which is expected to be satisfied with non-cash French assets in 2002. Total debt at December 31, 2000 includes the reclassification of net deferred losses associated with interest rate swaps to conform to current period presentation.

Conference Call

The Company will host a conference call tomorrow morning (Thursday, February 28, 2002) at 9:00 a.m. Central time. A question and answer session will follow a brief presentation made by the Company. The conference call dial-in number is (719) 457-2637. The conference call will also be broadcast live via the Internet at <http://www.videonewswire.com/event.asp?id=3550>. After the completion of the live conference call, a replay can be accessed at (719) 457-0820 with the confirmation code 483820 through March 14, 2002.

Cautionary Statement on Forward-Looking Statements

The statements in this press release that are not historical facts are forward-looking statements made in reliance on the "safe harbor" protections provided under 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 its strategic plan as defined in the Company's Form 10-K for the year ended December 31, 2000, including:
 - the continuation of cost reduction initiatives,
 - the continuation of actions to improve operating free cash flow,
 - the continuation of debt reduction initiatives, including the sale of certain funeral and cemetery operations,
 - the implementation of strategic revenue and marketing initiatives resulting in increased volume through its existing facilities, and
 - the interest of third parties to enter into and consummate alliances and joint ventures with the Company.
- 4) 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.

- 5) Changes in domestic and international political and/or regulatory environments in which the Company operates, including potential changes in tax and accounting policies.
- 6) The Company's ability to successfully access the surety market to procure bonds for prearranged funeral and preneed cemetery activities.
- 7) The Company's ability to successfully exploit its substantial purchasing power with certain of the Company's vendors.
- 8) The outcomes of pending class action lawsuits against the Company involving alleged violations of securities laws.

For further information on these and other risks and uncertainties, see the Company's Securities and Exchange Commission filings, including the Company's 2000 Annual Report on Form 10-K. 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, whether as a result of new information, future events or otherwise.

As of December 31, 2001, the Company and its affiliates operated 3,099 funeral service locations, 475 cemeteries and 177 crematoria and provides funeral and cemetery services in 11 countries.

For additional information contact:

Investor Relations: Eric D. Tanzberger --
Vice President / Investor Relations
Assistant Corporate Controller
Tel: (713) 525-7768

Debbie E. Fisher --
Director / Investor Relations
Tel: (713) 525-9088

Media Relations: Terry Hemeyer --
Managing Director / Corp. Communications
Tel: (713) 525-5497

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		Twelve Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Revenues:				
Funeral	\$448,157	\$473,717	\$1,805,305	\$1,911,969
Cemetery	182,720	155,272	705,038	641,267
Other services	---	---	---	11,494
	630,877	628,989	2,510,343	2,564,730
Gross profit:				
Funeral	68,631	57,718	256,366	266,915
Cemetery	26,278	8,929	103,020	58,432
Other services	---	---	---	2,295
	94,909	66,647	359,386	327,642
General and administrative expenses	(16,858)	(19,901)	(70,309)	(79,932)
Restructuring and non- recurring charges	(586,716)	(447,791)	(644,147)	(461,072)
Operating loss	(508,665)	(401,045)	(355,070)	(213,362)
Interest expense	(47,236)	(65,178)	(211,626)	(281,548)
Other income	2,396	5,553	15,044	17,455
Gains from dispositions	4,681	11,422	16,224	17,181
Loss on sale of investment	---	(56,704)	---	(56,704)
	(40,159)	(104,907)	(180,358)	(303,616)
Loss from continuing operations before income taxes, extraordinary				

gains and cumulative effect of accounting changes	(548,824)	(505,952)	(535,428)	(516,978)
Income tax (expense) benefit	(44,648)	86,781	(61,199)	91,455
Loss from continuing operations before extraordinary gains and cumulative effect of accounting changes	(593,472)	(419,171)	(596,627)	(425,523)
Income (loss) from discontinued operations (net of income tax expense (benefit) of \$936, (\$4,282), \$936 and \$6,543)	1,701	(2,369)	1,701	13,347
Loss on disposal of discontinued operations (net of income tax expense of \$73,839)	---	---	---	(43,733)
Extraordinary gains on early extinguishments of debt (net of income tax expense of \$9, \$3,024 and \$12,630, respectively)	14	---	4,731	21,973
Cumulative effect of accounting changes (net of income tax benefit of \$5,318 and \$552,491, respectively)	---	---	(7,601)	(909,315)
Net loss	(\$591,757)	(\$421,540)	(\$597,796)	(\$1,343,251)

Basic and diluted earnings per share:

Income from continuing operations before non-recurring items	\$.09	\$.00	\$.23	\$.00
Restructuring and non- recurring charges	(2.12)	(1.54)	(2.32)	(1.56)
Income (loss) from discontinued operations	.00	(.01)	.00	.05
Loss on disposal of discontinued operations	---	---	---	(.16)
Extraordinary gains on early extinguishments of debt	.00	---	.02	.08
Cumulative effect of accounting changes	---	---	(.03)	(3.34)
Net loss	\$(2.03)	\$(1.55)	\$(2.10)	\$(4.93)
Basic and diluted weighted average number of shares	291,760	272,324	285,127	272,172

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:			
Comparable			
2001	\$441,471	\$164,238	\$14,590
2000	\$412,193	\$147,726	\$ 8,463
Total			
2001	\$451,877	\$164,410	\$14,590
2000	\$438,242	\$163,310	\$27,437
Twelve months ended December 31:			
Comparable			
2001	\$1,718,252	\$608,471	\$61,223
2000	\$1,626,863	\$614,099	\$57,784

Total						
2001	\$1,781,159		\$647,714		\$ 81,470	
2000	\$1,737,014		\$686,199		\$141,517	

Gross profit and margin percentage from continuing operations:

Three months ended December 31:

Comparable						
2001	\$80,111	18.1%	\$14,561	8.9%	\$811	5.6%
2000	\$60,182	14.6%	\$ 4,842	3.3%	(\$5,325)	(62.9%)

Total						
2001	\$79,483	17.6%	\$14,615	8.9%	\$811	5.6%
2000	\$60,743	13.9%	\$ 7,844	4.8%	(\$1,940)	(7.1%)

Twelve months ended December 31:

Comparable						
2001	\$293,565	17.1%	\$47,116	7.7%	\$7,933	13.0%
2000	\$259,888	16.0%	\$29,301	4.8%	\$3,298	5.7%

Total						
2001	\$294,485	16.5%	\$55,567	8.6%	\$9,334	11.5%
2000	\$264,321	15.2%	\$43,784	6.4%	\$19,537	13.8%

Funeral services performed:

Three months ended December 31:

Comparable			
2001	70,703	53,113	984
2000	71,149	54,286	1,080

Total			
2001	72,735	53,196	984
2000	76,453	62,915	7,458

Twelve months ended December 31:

Comparable			
2001	282,039	217,293	4,104
2000	283,280	224,522	4,286

Total			
2001	294,145	237,921	11,962
2000	304,207	263,369	30,922

Number of locations at December 31:

2001	1,999	1,726	26
2000	2,256	1,942	182

MAKE YOUR OPINION COUNT - [Click Here](#)

<http://tbutton.prnewswire.com/prn/11690X86826634>

SOURCE Service Corporation International

Web site: <http://www.sci-corp.com>

Company News On-Call: <http://www.prnewswire.com/comp/104532.html>

CONTACT: Investor Relations, Eric D. Tanzberger, Vice President-Investor Relations, Assistant Corporate Controller, +1-713-525-7768, or Debbie E.

Fisher, Director, Investor Relations, +1-713-525-9088, or Media Relations, Terry Hemeyer, Managing Director-Corp. Communications,

+1-713-525-5497, all of Service Corporation International

Audio: <http://www.videonewswire.com/event.asp?id=3550>