



Service Corporation International Modifies Offer to Exchange 7.70% Notes Due 2009 for Existing 6% Notes Due 2005

September 4, 2002

HOUSTON, Sept. 4 /PRNewswire-FirstCall/ -- Service Corporation International (NYSE: SRV), the world's largest funeral and cemetery company, today announced it has modified the terms of its offer to exchange, in a private placement, up to \$300 million aggregate principal amount of 7.70% Senior Notes due April 15, 2009 for an equivalent principal amount of its existing 6% Senior Notes due December 15, 2005.

The Company has increased the cash payment being offered to \$40.00 for each \$1,000 principal amount of notes exchanged from the \$27.50 for each \$1,000 principal amount, as originally offered. As amended, the cash payment will be made to holders of all 6% Senior Notes validly tendered prior to the new expiration date and accepted by the Company, including all 6% Senior Notes tendered prior to this announcement.

The expiration date of the offer has been extended from 5:00 p.m., EDT, on Thursday, September 5, 2002, to 5:00 p.m., EDT, on Wednesday, September 18, 2002. The Company said that all other terms and conditions of the exchange offer remain unchanged.

As previously announced, the Company is offering to issue \$1,000 principal amount of new 7.70% Senior Notes for each \$1,000 principal amount of existing 6% Senior Notes validly tendered and accepted by the Company. The Company will pay in cash accrued interest to the settlement date on all existing 6% Senior Notes validly tendered and accepted.

If more than \$300 million in aggregate principal amount of existing 6% Senior Notes are validly tendered and not withdrawn, the Company will accept tenders from holders on a pro rata basis.

As of September 3, 2002, an aggregate principal amount of approximately \$67.5 million of 6% Senior Notes had been tendered in the offer and not withdrawn. Holders who have already tendered their notes are NOT required to deliver any further documentation or take any other action in order to receive the cash payment of \$40.00 for each \$1,000 principal amount of notes exchanged.

The exchange offer is only being made inside the United States to investors who are qualified institutional buyers or institutional accredited investors and outside the United States to non-U.S. persons. The new 7.70% Senior Notes have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Company will enter into a registration rights agreement pursuant to which it will agree to file an exchange offer registration statement with the Securities and Exchange Commission with respect to the new 7.70% Senior Notes.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful.

As of June 30, 2002, the Company and its affiliates operated 2,466 funeral service locations, 459 cemeteries and 154 crematoria and provides funeral and cemetery services in 8 countries.

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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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