



Service Corporation International Announces Completion of Exchange Offer

September 25, 2002

HOUSTON, Sept. 25 /PRNewswire-FirstCall/ -- Service Corporation International (NYSE: SRV), the world's largest funeral and cemetery company, today announced the completion of its offer to exchange existing 6% Senior Notes due 2005 for 7.7% Senior Notes due 2009. As of the expiration of the offer on Friday, September 20, 2002, approximately \$172 million in principal amount of the existing 6% Senior Notes had been validly tendered and accepted for exchange by the Company.

Upon closing of the transaction today, the Company issued approximately \$172.2 million in principal amount of its new 7.7% Senior Notes due April 15, 2009 and paid approximately \$11.5 million in cash related to closing fees, incentive payments and accrued interest to the settlement date to holders of the existing 6% Senior Notes that validly tendered their notes in connection with the exchange.

The remaining outstanding balance of the 6% Senior Notes due December 15, 2005 after the completion of the exchange offer is approximately \$407 million.

The new 7.7% 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 anticipates filing the necessary registration statement with the Securities and Exchange Commission within the next ninety days.

Robert L. Waltrip, Chairman and Chief Executive Officer commented:

"This exchange offer has helped to reduce our debt obligations maturing in the next several years giving us enhanced liquidity and financial flexibility. Debt maturities over the next five years are now well within the expected cash flows of the Company supplemented by proceeds from anticipated asset sales and joint venture transactions."

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. For further information on these risks and uncertainties, see the Company's Securities and Exchange Commission filings, including the Company's 2001 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 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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