



***Service  
Corporation  
International***

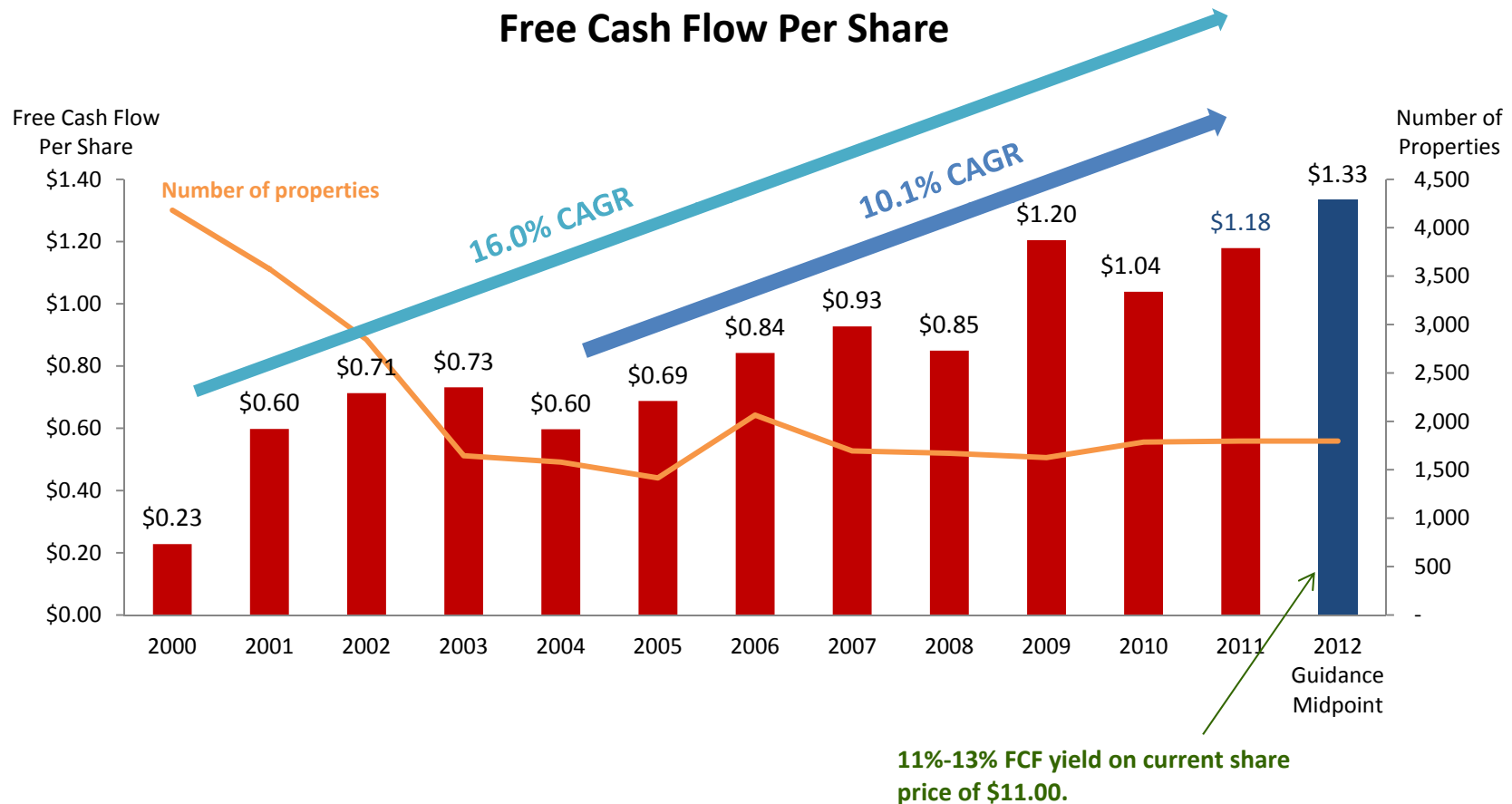
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**Free Cash Flow per Share  
Years 2000-2011 and 2012 outlook**

NYSE: SCI

North America's largest provider of funeral, cemetery & cremation services

# Free cash flow per share between 2005-2011 grew at a CAGR of 10%. We anticipate continued improvement in 2012



Free cash flow per share is equal to cash flow from operations adjusted for unusual items less recurring capital expenditures divided by fully diluted weighted average shares outstanding. Free cash flow is a Non-GAAP financial measure. Please see slides 3 & 4 for a reconciliation to the appropriate GAAP measure and for other disclosures.



# Free cash flow per share

## Years 2000 to 2011 & 2012 Guidance Midpoint

(in millions)

	2000	2001	2002	2003	2004	2005	2006	2007 *	2008	2009	2010	2011
Cash flow from ops, as reported	223.6	383.3	352.2	374.1	94.0	312.7	324.2	330.3	350.3	372.1	354.4	388.1
Special trust receipts	(157.7)	(79.8)	(25.0)	-	-	-	-	-	-	-	-	-
Termination of pension plans/Other	79.5	57.4	12.8	-	31.4	-	-	23.9	3.0	-	-	-
Settlement of litigation, net	-	-	-	27.1	131.1	-	-	-	-	-	-	-
Premiums paid on extinguishment of debt	-	-	-	-	13.8	12.2	15.7	11.7	-	-	-	-
Net tax refund/payment	-	(116.3)	(57.1)	(94.5)	-	(29.0)	-	-	(1.2)	-	-	-
Acquisition & transition costs	-	-	-	-	-	-	3.2	38.6	3.3	-	-	-
Adj. Cash flow from ops	145.4	244.6	282.9	306.7	270.3	295.9	343.1	404.5	355.4	372.1	354.4	388.1
Certain capital expenditures	(83.4)	(74.1)	(73.0)	(86.7)	(64.5)	(84.9)	(92.7)	(134.7)	(133.7)	(67.9)	(94.1)	(109.1)
Free cash flow	62.0	170.5	209.9	220.0	205.8	211.0	250.4	269.8	221.7	304.2	260.3	279.0
Diluted Weighted Avg Shares	272.2	285.1	294.5	300.8	344.7	306.7	297.4	290.9	261.0	252.5	250.6	236.7
FCF per share (Diluted Weighted)	\$ 0.23	\$ 0.60	\$ 0.71	\$ 0.73	\$ 0.60	\$ 0.69	\$ 0.84	\$ 0.93	\$ 0.85	\$ 1.20	\$ 1.04	\$ 1.18
Cash flow (used in) from investing activities	193.1	325.4	326.9	(37.4)	289.5	171.0	(1,297.0)	378.1	(151.3)	(152.5)	(279.7)	(190.3)
Cash flow (used in) from financing activities	(564.5)	(727.4)	(503.9)	(300.1)	(349.6)	(326.4)	565.2	(607.5)	(230.5)	(178.4)	(88.2)	(238.7)

\* SCI's FCF in 2007 excludes \$26M from Mayflower (discontinued) & Katrina insurance proceeds.

Certain capex = maintenance expenditures in years 2002-2004 and maintenance & cemetery development expenditures in 2005 forward

Free cash flow calculated in accordance with GAAP is not currently accessible on a forward-looking basis. Our outlook for fiscal 2012 excludes the following because this information is not currently available: Potential tax adjustments to reserves, payments, credits or refunds; Potential costs associated with settlements of litigation or the recognition of receivables for insurance recoveries associated with litigation.



# Free cash flow – 4<sup>th</sup> Qtr 2011/2010

(in millions)

	Q4 10	Q4 11
Cash flow from ops, as reported	88.3	96.8
Certain capital expenditures	(29.7)	(30.7)
Free cash flow	58.6	66.1
Cash flow (used in) from investing activities	(39.8)	(23.0)
Cash flow (used in) from financing activities	(14.9)	(72.5)

- Free cash flow is a non-GAAP financial measure. It is not a measure of performance or liquidity under GAAP and should not be used in isolation or as a substitute for cash flows from operating activities or other income or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity.
- Certain capital expenditures are expenditures for capital improvements at existing locations and for the development of cemetery property. The company deems these expenditures to be of a recurring nature.

