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## Service Corp. International Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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Thank you, sir. [Operator Instructions]. Gentlemen, your first question will come from the line of Michael Scarangella with Merrill Lynch. Please proceed.

**Michael Scarangella - Merrill Lynch**

Hey guys. Good morning, nice quarter. Couple of questions. You talked about the relatively good funeral volume this quarter. We would have assumed that some of that was driven by good flu season; you didn't really talk about it. I am just wondering if that's because it's hard for you to quantify or that's just really wasn't a big driver for you in the quarter?

**Thomas L. Ryan - President and Chief Executive Officer**

Michael, I think you are right and you are... it's hard to quantify. I will say this, rather than describe it as a... we ought to take even hit this way, good flu season, we better not have it. I would say that we finally had a more normalized flu season, what you've really seen over the last couple of years and talking to others that track this, is that there's really kind of dearth of a flu season and I wouldn't call this one necessarily robust one, but back to normal condition.

**Michael Scarangella - Merrill Lynch**

Okay. So, I guess I am getting at is the down 0.9% I mean in prior quarters, we have seen the down, 3%, 4% and some of that was bad comps from some businesses that you got out of. So, is this marked the first quarter were that annualizes and this more of a normal run rate, or is this abnormally good you think because of the flu and maybe we shouldn't expect it to be this good in the next couple?

**Thomas L. Ryan - President and Chief Executive Officer**

Well, I think it's hard to predict what's going to actually happen in the marketplace. But let me talk relative to expectations. What I've tried to say in my call comments that in no way that I think this is an approved factor. We think within our relevant marketplace on a national scale, we think those markets are probably up around 1% on top volume. We reported down to one. What that tells you is we're still seeing some rationalization of business within our network, most of that's occurring in the Alderwoods locations because remember we did in the SCI location in 2006 and you saw a lot of it 2007, and now you are going to see a little bit of that here. It's really in pockets, it's pretty easy to identify a lot of times because these are contracts again that people have with various organizations that we found not to be profitable in our action.

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