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## Service Corp. International Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator Instructions). And your first question comes from the line of A.J. Rice with Soleil Securities. Please proceed.

#### Chris Rigg - Soleil Securities

Morning it's actually Chris Rigg filling in AJ. Just a quick question on the January and February volumes that you talked about earlier in the call. I guess --do you view the declines as -- are the aggregate number of debts down, do you think people -- or do you think people are actually looking for cheaper product from competitors?

#### Thomas Ryan

Hi Chris this is Tom.

#### Chris Rigg - Soleil Securities

Hi Tom.

#### Thomas Ryan

Good morning to you. I'll answer that for you. I think generally obviously we've seen levels of decline that we have not seen in at least a decade. And it's very concerning. Let me point out a couple of things. One is, if you go back to first quarter of 2008, for the first time in a long time you some semblance of flu. And if you look at those levels that actually were pretty strong levels for the industry and for us comparing against the number.

Number two, we hadn't seen any semblance of a flu this year. We've diligently checked with suppliers, competitors, we look at all bit notices and markets, acting very-very paranoid I promise you. And at the end of the day what we've concluded is that everyone is experiencing similar levels of decline. You asked a great question. Are there people that are just going away and my gut feeling on that when is, on the fringe you surely can see some of that its a very difficult time. But nothing to the levels that we are experiencing our suppliers are experiencing, our competitors are experiencing. So, we really believe that it's predominantly the number of deaths in the history will tell you that that would somewhat self correct as you go throughout 2009 and even into 2010.

#### Chris Rigg - Soleil Securities

Okay. Okay. Next question relates to the capital spending. The 80 to 90 million is that sort of a number that you squeeze down for this year and its not really sustainable number going forward. You're just ramming in some things on a one year basis and you'll have to bring that back up in the future and when we look ahead if you spend 80 to 90 million this year does that mean next year's capital spending is going to have to be higher to makeup for what you didn't spend this year. Sort of the differed maintenance phenomenon?

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