

Our revenues have little sensitivity to economy

Funeral 67% of revenues

CURRENT REVENUES

- **70% true atneed** and historically not economically sensitive - funds have typically been set aside through insurance, estate planning, etc.
- **30% preneed maturities** (on average 10-12 yrs ago) cumulative earnings have been deferred and funds set aside

FUTURE REVENUES

- Preneed sales are economically sensitive, but only impacts backlog

Cemetery 33% of revenues

CURRENT REVENUES

- **36% true atneed** and historically not economically sensitive
- **19% preneed merchandise & service deliveries** (on average 10-15 yrs ago) cumulative earnings have been deferred and funds set aside

- **39% preneed property production** – economically sensitive

- **6% endowment care income** which is predominantly interest income (77% fixed income)

FUTURE REVENUES

- Preneed merchandise & service sales are economically sensitive, but only impacts backlog

Approx 13% of total current revenues are economically sensitive

Trust funds can weather volatility

■ Funeral & Cemetery preneed trusts

- Contracts are long-term (average of 10-15 years) with income/cash generally deferred until maturity
- Good track record of investment returns (average of 8% since 1996)
- Net unrealized appreciation in combined trusts of more than \$35 million at 12/31/07

■ Endowment care trust

- Income is recognized on a **current** basis versus deferred as in the preneed trusts
- Investments are predominantly fixed income (77%) so primarily interest income; unrealized gains/losses do not get recognized in the income statement
- Good track record of investment returns (average of 7% since 1996)