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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): AUGUST 25, 1995

SERVICE CORPORATION INTERNATIONAL

(Exact name of registrant as specified in charter)

TEXAS	1-6402-1	74-1488375
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I. R. S. employer identification number)

1929 ALLEN PARKWAY, HOUSTON, TEXAS	77019
(Address of principal executive offices)	(Zip code)

(713) 522-5141

(Registrant's telephone number, including area code)

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On August 25, 1995, Service Corporation International acquired a controlling ownership interest in Omnium de Gestion et de Financement S.A. which, in turn, owns a controlling ownership interest in Pompes Funebres Generales S.A. In addition, the Company commenced public tender offers in France for the remaining shares of both companies with the intent to acquire 100% of the outstanding shares of both companies. For a description of these transactions, see the first paragraph under "Unaudited Pro Forma Combined Financial Information" in "Item 7. Financial Statements and Exhibits" of this report, which information is hereby incorporated by reference.

The term "Company" includes Service Corporation International and its subsidiaries, unless the context indicates otherwise.

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ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

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(c)	Exhibits:	
	2.1 - Memorandum of Understanding Relating to the Transfer of Shares, dated July 10, 1995, and Additional Memorandum of Understanding Relating to the Transfer of Shares, dated July 12, 1995, each of which is between Service Corporation International and Lyonnaise des Eaux.	
	23.1 - Consent of Barbier Frinault & Associes, Membres d'Arthur Andersen & Co, SC and PGA.	
	23.2 - Consent of Ernst & Young LLP.	

(a) Pro forma financial information

Unaudited Pro Forma Combined Financial Information

In July 1995, the Company entered into an agreement with Lyonnaise des Eaux S.A. ("LDE"), a French company, to purchase LDE's funeral service business. LDE's funeral service business is comprised of an approximate 51% ownership interest in Omnium de Gestion et de Financement S.A. ("OGF") which, in turn, owns approximately 65% of Pompes Funebres Generales S.A. ("PFG") and, together with OGF, ("OGF/PFG"). On August 25, 1995, the Company acquired the approximately 51% interest in OGF for US $233,358,000. The Company is making public tender offers for the remaining shares of OGF and PFG with the intent to acquire 100% of the outstanding shares of both companies. On August 30, 1995, the Company owned shares representing 70.0% of OGF and 75.3% of PFG. OGF/PFG is the largest funeral service organization in Europe. OGF/PFG operates over 950 funeral service locations that performed over 154,000 funerals throughout France in 1994. OGF/PFG also operates funeral locations in Belgium, the Czech Republic, Italy, Singapore and Switzerland that performed approximately 14,000 funerals in 1994. Included in OGF/PFG operations is a coffin manufacturing business that sells the large majority of its product to OGF/PFG funeral operations and a funeral insurance business whose primary activity involves insurance policies sold in connection with OGF/PFG's prearranged funeral business. The Company intends that OGF/PFG will continue to operate their funeral service and related businesses. The total purchase price for OGF and the portion of PFG not owned by OGF is expected to be approximately US $607,206,000, based on a June 30, 1995 translation rate of US $.2062 to one French franc, consisting of US $589,570,000 of cash, the assumption of US $12,004,000 of OGF/PFG debt and associated expenses of US $5,632,000 (based on an August 25, 1995 translation rate of US$.1969 to one French franc, the total purchase price would be US$579,820,000. The net cost to the Company, taking into account the estimated available excess cash balances of OGF/PFG, is expected to be approximately US $424,026,000. In August 1995, the Company entered a 364-day revolving credit agreement ("French Revolving Credit Agreement") with Societe Generale, Southwest Agency, Credit Lyonnais Cayman Island Branch and Banque Nationale de Paris, Houston Agency. The French Revolving Credit Agreement allows for borrowings up to US $600,000,000 (which, at the option of the Company, can be borrowed in French francs or US dollars) to provide short-term financing for the purchase of OGF/PFG. The interest rate currently in effect is based on PIBOR plus 25 basis points (5.98% at August 25, 1995).

In June 1995, the Company entered into an agreement to acquire Gibraltar Mausoleum Corporation and four related Subchapter S Corporations (collectively, "Gibraltar"). Gibraltar, a private funeral and cemetery company based in Indianapolis, Indiana, owns and operates 23 funeral homes and 54 cemeteries. Subject to regulatory approval, the Company expects to complete the Gibraltar transaction during the fourth quarter of 1995 for a purchase price of approximately $268,895,000 consisting of 3,286,759 shares of Company common stock (based on an average price of $35 per share on August 25, 1995), $146,668,000 in cash, the assumption of $5,425,000 of Gibraltar debt and associated expenses of $1,765,000. Such common stock of the Company is registered with the Securities and Exchange Commission and will be issued under the Company's existing shelf registration. The cash portion of the purchase price will be borrowed under the Company's existing revolving credit facilities (5.90% at August 25, 1995).

In July 1995, the Company entered into an agreement to acquire the shares of Service Corporation International Canada ("SCIC") not already owned by the Company. SCIC owns 74 funeral homes and three cemeteries in Canada. This transaction will eliminate the approximate 31% minority ownership interest in SCIC and will make SCIC a wholly owned subsidiary of the Company. This transaction has been approved by the minority shareholders of SCIC and was completed on September 5, 1995. The purchase price will be approximately US $61,293,000 (based on a June 30, 1995 translation rate of US $.7287 to one Canadian dollar) and will be financed through borrowings under the Company's existing revolving credit facilities in Canadian dollars at an interest rate based on a Canadian banker's acceptance rate plus 25 basis points (6.71% at August 25, 1995).

In the third quarter of 1994, the Company acquired the two largest publicly traded funeral service providers in the United Kingdom, Great Southern Group plc ("GSG") and Plantsbrook Group plc ("PG"). PG was an equity investee of OGF before being purchased by the Company. GSG and PG owned a combined 534 funeral homes, 13 crematories and two cemeteries. The purchase price of approximately US $508,000,000 was financed using a portion of the net proceeds from the Company's December 1994 public offerings, consisting of common stock (7,700,000 shares issued in December 1994 and 780,000 shares issued in January 1995 at a net price of $24.70 per share), $172,500,000 of preferred securities of SCI Finance LLC (a wholly owned subsidiary of the Company) and $200,000,000 of 8.375% fixed rate notes due 2004, long-term fixed rate borrowings, other revolving credit borrowings and debt assumed by the Company. Both GSG and PG have been consolidated with the Company since September 1, 1994.

In addition to the acquisitions discussed above, during 1994 and the six months ended June 30, 1995, the Company continued to acquire funeral and cemetery operations in the United States, Australia, Canada and the United Kingdom. During such period, the Company acquired 232 funeral homes and 52 cemeteries (the "1994 and 1995 Other Acquired Companies") in 120 separate transactions for an aggregate purchase price of approximately US $515,000,000 in the form of combinations of cash, Company common stock, issued and assumed debt, convertible debentures and retired loans receivable held by the Company's finance subsidiary.

The following unaudited pro forma combined balance sheet as of June 30, 1995 has been prepared assuming the acquisitions by the Company of 100% of the outstanding shares of OGF/PFG, Gibraltar and the minority interest of SCIC took place on June 30, 1995. The unaudited pro forma combined statements of income for the year ended December 31, 1994 and the six months ended June 30, 1995 have been prepared assuming the acquisitions by the Company of 100% of the outstanding shares of OGF/PFG, Gibraltar, the minority interest of SCIC, GSG, PG and the Other Acquired Companies took place at January 1, 1994. Such acquisitions are being accounted for under the purchase method of accounting. The historical revenues and expenses of GSG and PG and the Other Acquired Companies represent amounts recorded by those businesses for the period that they were not owned by the Company during the year ended December 31, 1994 and the six months ended June 30, 1995, respectively. The unaudited pro forma combined financial information may not be indicative of results that would actually have been obtained if these transactions had occurred on the dates indicated or which may be obtained in the future.

For purposes of this unaudited pro forma combined financial information, it is assumed that the net proceeds of the Company's December 1994 public offerings were first applied toward the purchase price of GSG and PG (US $508,000,000 less US $31,258,000 of GSG and PG debt assumed by the Company) with the excess net proceeds (US $95,205,000) used to repay amounts outstanding under the Company's revolving credit facilities and to retire commercial paper. In addition, the unaudited pro forma combined financial information assumes that the acquisition of OGF/PFG is to be financed with borrowings under the French Revolving Credit Agreement.

The historical financial statements of GSG and PG for the period not owned by the Company in 1994 were prepared in UK pound sterling in accordance with United Kingdom generally accepted accounting principles ("UK GAAP"). The historical financial statements of OGF/PFG as of June 30, 1995 and for the year ended December 31, 1994 and the six months ended June 30, 1995 were prepared in French francs in accordance with French generally accepted accounting practices ("F GAAP"). This information has been adjusted to present the historical financial statements in accordance with United States generally accepted accounting principles ("US GAAP") and translated into US dollars at the June 30, 1995 exchange rate for the balance sheet (US $.2062 to one French franc, US $.1969 at August 25, 1995) and at the average exchange rate for the respective statement of income periods presented (US $.1802 and US $.1983 for the year ended December 31, 1994 and six months ended June 30, 1995, respectively). The Company has not completed all appraisals and evaluations necessary to finalize OGF/PFG's or Gibraltar's purchase price allocation, and accordingly, actual adjustments that reflect appraisals and other evaluations of the purchased assets and assumed liabilities may differ from the pro forma adjustments.

Service Corporation International
Unaudited Pro Forma Combined Balance Sheet
June 30, 1995
(Thousands)

	Historical			Pro Forma	
	The Company	OGF/PFG	Gibraltar	Adjustments	Combined Total
Assets					
Current assets:					
Cash and cash equivalents	$ 20,251	$ 203,800	$ 1,276	$(183,180) (F11)	$ 42,147
Receivables, net of allowances	347,790	59,013	67,021	(215) (G2)	435,758
				(37,851) (G3)	
Inventories	72,192	46,240	16,207	(13,776) (G4)	120,863
Other	7,814	33,171	-	-	40,985
Total current assets	448,047	342,224	84,504	(235,022)	639,753
Investments - insurance subsidiary	-	531,726	-	-	531,726
Prearranged funeral contracts	1,537,085	-	3,878	82,350 (G2)	1,623,313
Long-term receivables	615,355	-	-	44,137 (G1)	701,372
				37,851 (G3)	
				4,029 (G5)	
Cemetery property, at cost	812,198	-	17,214	13,776 (G4)	1,142,675
				286,987 (G10)	
				12,500 (C1)	
Property, plant and equipment, at cost (net)	909,857	222,545	31,778	103,932 (F4)	1,268,112
Deferred charges and other assets	233,258	49,661	9,629	25,521 (F5)	298,660
				(19,409) (F7)	
Goodwill	-	16,910	10,579	(10,579) (G13)	-
				(16,910) (F6)	
Names and reputations (net)	888,975	-	-	37,626 (C1)	1,043,833
				117,232 (F9)	
Total assets	$5,444,775	$1,163,066	$157,582	$ 484,021	$7,249,444
Liabilities and Stockholders' Equity					
Current Liabilities:					
Accounts payable and accrued liabilities	$ 191,547	$ 132,802	$ 13,816	$ 1,765 (G11)	$ 345,562
				5,632 (F2)	
Income taxes	32,351	6,700	-	-	39,051
Current maturities of long-term debt	21,217	3,332	15,700	(15,700) (G9)	24,549
Total current liabilities	245,115	142,834	29,516	(8,303)	409,162
Long-term debt	1,579,918	8,672	37,709	146,668 (G8)	2,208,366
				(32,284) (G9)	
				61,293 (C1)	
				589,570 (F10)	
				(183,180) (F11)	
Deferred income taxes	275,162	15,421	14,329	100,445 (G12)	442,268
				5,500 (C1)	
				31,411 (F8)	
Other liabilities	278,475	137,242	18,846	44,137 (G1)	388,492
				4,029 (G5)	
				(16,667) (C1)	
				(79,107) (F3)	
				1,537 (F4)	
Deferred prearranged funeral contracts	1,597,454	520,220	6,935	92,859 (G2)	2,217,468
Company obligated mandatorily redeemable preferred securities of SCI Finance LLC	172,500	-	-	-	172,500
Stockholders' equity	1,296,151	338,677	50,247	(50,247) (G6)	1,411,188
				115,037 (G7)	
				(338,677) (F1)	
Total liabilities and stockholders' equity	$5,444,775	$1,163,066	$157,582	$ 484,021	$7,249,444

SERVICE CORPORATION INTERNATIONAL
NOTES TO THE UNAUDITED PRO FORMA COMBINED BALANCE SHEET
JUNE 30, 1995

CANADA

(C1) To record the acquisition of the approximate 31% minority interest of SCIC that the Company does not currently own. This includes eliminating the minority interest, increasing long-term debt for amounts assumed to be borrowed under the Company's existing revolving credit facilities to finance this transaction, increasing cemetery property to estimated fair value, recording deferred taxes on the allocation of purchase price (at the Canadian statutory tax rate) and allocating the excess of the purchase price over the estimated fair value of SCIC net assets acquired to names and reputations.

GIBRALTAR

(G1) To record Gibraltar's cemetery merchandise and service receivable balances and related liabilities in accordance with the Company's accounting policies. These merchandise and service receivable balances were not afforded balance sheet recognition by Gibraltar.

(G2) To record Gibraltar's prearranged funeral contracts outstanding and the related deferred prearranged funeral contract revenues in accordance with the Company's accounting policies. These prearranged funeral contracts were not afforded balance sheet recognition by Gibraltar.

(G3) To reclassify Gibraltar's receivables not due within one year to long-term receivables. This entry conforms Gibraltar's unclassified balance sheet to the Company's classified balance sheet format.

(G4) To reclassify Gibraltar's cemetery inventories not expected to be sold within one year to cemetery property. This entry conforms Gibraltar's unclassified balance sheet to the Company's classified balance sheet format.

(G5) To reclassify amounts held in trust by Gibraltar related to sales of preconstruction mausoleums. Gibraltar netted the trust deposits against the related liability; however under the Company's accounting policies these amounts would be shown separately on the balance sheet.

(G6) To eliminate the historical stockholders' equity of Gibraltar.

(G7) To reflect the net proceeds from the issuance of 3,286,759 shares of Company common stock issued in the Gibraltar transaction at an assumed price of $35 per share (based on an average stock price on August 25, 1995).

(G8) To reflect borrowings under the Company's existing revolving credit agreements and/or through the issuance of commercial paper to finance a portion of the purchase price of Gibraltar ($98,684,000) and the assumed repayment of a portion of Gibraltar debt ($47,984,000).

(G9) To reflect the assumed repayment of Gibraltar debt.

(G10) To increase Gibraltar's cemetery property to estimated fair value.

(G11) To accrue costs anticipated to be incurred in connection with the acquisition of Gibraltar.

(G12) To provide for additional deferred income taxes for Gibraltar (at the Company's marginal tax rate) resulting from differences in the carrying values of net assets for financial statement and tax purposes.

(G13) To eliminate previously recorded Gibraltar goodwill.

OGF/PFG

(F1) To eliminate the historical stockholders' equity of OGF/PFG.

(F2) To accrue estimated costs anticipated to be incurred in connection with the acquisition of OGF/PFG.

(F3) To eliminate OGF's historical minority interest in PFG. These unaudited pro forma combined financials assume 100% ownership of both OGF and PFG, which is the intent of the Company.

(F4) To increase OGF/PFG's land and buildings to estimated fair value.

(F5) To record as an intangible asset the present value of future profits of OGF/PFG's life insurance subsidiary with respect to existing insurance contracts.

(F6) To eliminate the previously recorded OGF/PFG goodwill.

(F7) To eliminate the previously recorded deferred acquisition costs of OGF/PFG's life insurance subsidiary.

(F8) To provide for additional deferred income taxes (at the French statutory tax rate) for OGF/PFG resulting from differences in the carrying values of net assets for financial statement and tax purposes.

(F9) To allocate the excess of the purchase price over the estimated fair value of OGF/PFG's net assets acquired to names and reputations.

(F10) To reflect the borrowings under the French Revolving Credit Agreement for the OGF/PFG purchase.

(F11) To reflect the partial repayment of amounts borrowed under the French Revolving Credit Agreement from cash that was acquired in the acquisition of OGF/PFG.

(8)

The following adjustments were made to the historical financials of OGF/PFG in order to restate historical financial statements to US GAAP:

	Historic Amounts Converted to US Dollars in F GAAP	Adjustments to US GAAP		As reported in Unaudited Pro Forma Combined Balance Sheet
Cash and cash equivalents	$ 202,886	$ 416	(1)	$ 203,800
		498	(3)	
Receivables, net of allowance	55,746	3,267	(3)	59,013
Inventories	46,240	-		46,240
Other	21,895	836	(5)	33,171
		577	(6)	
		9,863	(3)	
Total current assets	326,767	15,457		342,224
Investments for prearranged funerals	-	531,726	(3)	531,726
Property, plant and equipment at cost (net)	182,778	4,199	(2)	222,545
		(4,319)	(4)	
		39,887	(3)	
Deferred charges and other assets	47,311	2,350	(3)	49,661
Names and reputations	16,910	-		16,910
Total assets	$ 573,766	$ 589,300		$ 1,163,066
Accounts payable and accrued liabilities	$ 114,521	$ 10,594	(4)	$ 132,802
		879	(6)	
		6,808	(3)	
Income taxes	6,559	141	(3)	6,700
Current maturities of long-term debt	3,043	289	(2)	3,332
Total current liabilities	124,123	18,711		142,834
Long-term debt	5,217	3,455	(2)	8,672
Deferred income taxes	2,384	1,028	(5)	15,421
		(3,505)	(6)	
		15,514	(3)	
Other liabilities	140,730	150	(1)	137,242
		61	(2)	
		(14,913)	(4)	
		120	(5)	
		9,380	(6)	
		1,714	(3)	
Deferred prearranged funeral contracts	-	520,220	(3)	520,220
Stockholders' equity	301,312	266	(1)	338,677
		394	(2)	

			43,193 (3)	
			(312) (5)	
			(6,176) (6)	
Total liabilities and stockholders' equity.	$ 573,766	$ 589,300		$ 1,163,066

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*One French franc equivalent to $.2062, which represents the rate at June 30, 1995.

(1) To record the effect of Statement of Financial Accounting Standards ("FAS") No. 115 "Accounting for Certain Investments in Debt and Equity Securities".
(2) To record capital leases to comply with FAS No. 13 "Accounting for Leases".
(3) To consolidate OGF/PFG's wholly owned life insurance subsidiary, which was recorded under the equity method of accounting by OGF/PFG, to comply with FAS No. 94 "Consolidation of All Majority-Owned Subsidiaries", FAS No. 60 "Accounting and Reporting by Insurance Enterprises" and FAS No. 97 "Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments".
(4) To reclassify a portion of other liabilities to current liabilities and eliminate negative goodwill in accordance with Accounting Principles Board Opinion No. 16.
(5) To record FAS No. 109 "Accounting for Income Taxes".
(6) To record FAS No. 87 "Employers' Accounting for Pensions" and FAS No. 106 "Employers' Accounting for Post-retirement Benefits Other Than Pensions".

Service Corporation International
Unaudited Pro Forma Combined Statement of Income
Year Ended December 31, 1994
(Thousands, except per share amounts)

		1994 Transactions		
		1994 Historical	Pro Forma	
	The Company Historical	GSG & PG and Other Acquired Companies	Adjustments	1994 Combined Subtotal
Revenues	$1,117,175	$135,008	$1,146 (A)	$1,253,329
Costs and expenses	(775,980)	(113,145)	(770) (A)	(885,195)
			3,918 (B)	
			3,757 (C)	
			(217) (D)	
			(4,685) (E)	
			2,502 (F)	
			(291) (G)	
			(284) (H)	
Gross profit	341,195	21,863	5,076	368,134
General and administrative expenses	(51,700)	-	-	(51,700)
Income from operations	289,495	21,863	5,076	316,434
Interest expense	(80,123)	(2,588)	(165) (A)	(86,057)
			(3,860) (B)	
			936 (I)	
			1,451 (J)	
			4,379 (K)	
			(15,354) (L)	
			2,414 (M)	
			6,853 (N)	

Dividends on preferred securities of SCI Finance LLC	(539)	-	(10,242) (O)	(10,781)
Other income (expense)	10,188	201	-	10,389
Gain on sale of subsidiaries	-	-	-	-
Income before income taxes	219,021	19,476	(8,512)	229,985
Provision for income taxes	(87,976)	(7,240)	3,015 (P)	(92,201)
Net income	$131,045	$12,236	$(5,497)	$137,784
Earnings per share:				
Primary	$1.51			$1.44
Fully diluted	$1.43			$1.36
Primary weighted average shares	86,926		1,073 (Q) 7,974 (R)	95,973
Fully diluted weighted average shares	97,408		1,156 (Q) 7,974 (R) 5,450 (S)	111,988

	1995 Transactions				
	1994 Historical			Pro Forma	
	OGF/PFG	Gibraltar	Other Acquired Companies	Adjustments	Combined Total
Revenues	$509,141	$96,270	$73,505	$ (4,993)(G1) (1,902)(G2) (5,301)(G3) 4,525 (G4)	$1,924,574
Costs and expenses	(471,390)	(81,785)	(65,401)	4,993 (G1) 830 (G2) 7,134 (G3) (3,260)(G4) 2,038 (G5) 159 (G6) (1,435)(G7) 1,221 (O1) (941)(C1) (63)(C2) 1,594 (F1) (2,561)(F2) 22,253 (F3) (10,547)(F4) (51)(F5) 682 (F6) 2,351 (F7)	(1,479,374)
Gross profit	37,751	14,485	8,104	16,726	445,200
General and administrative expenses	-	-	-	-	(51,700)
Income from operations	37,751	14,485	8,104	16,726	393,500
Interest expense	(5,667)	(3,279)	(1,175)	(620)(G4) 3,465 (G8) (6,747)(G9) (8,742)(O1) (3,530)(C3) (31,429)(F8) 9,765 (F9)	(134,016)
Dividends on preferred securities of SCI Finance LLC	-	-	-	-	(10,781)
Other income (expense)	(12,408)	(83)	-	2,227 (C4) (6,681)(F10) 20,399 (F11)	13,843
Gain on sale of subsidiaries	57,474	-	-	(57,474)(F12)	
Income before income taxes	77,150	11,123	6,929	(62,641)	(262,546)
Provision for income taxes	(21,176)	(4,219)	(2,702)	496 (G10) 1,581 (C5) 2,933 (O2) 10,675 (F13)	(104,613)
Net income	$55,974	$6,904	$4,227	$(46,956)	$157,933
Earnings per share:					
Primary					$1.59
Fully diluted					$1.50
Primary weighted average shares				180 (O3) 3,287 (G11)	99,440
Fully diluted weighted average shares				194 (O3) 3,287 (G11)	115,469

SERVICE CORPORATION INTERNATIONAL

NOTES TO THE UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 1994

1994 TRANSACTIONS

(A) To record the acquisition of five separate businesses acquired at various dates by PG between January 1, 1994 and August 31, 1994 as if such acquisitions had occurred on January 1, 1994. Internally generated funds were used for the purchase of these businesses; however, for purposes of the unaudited pro forma combined statement of income, imputed interest expense, calculated on the purchase price, has been included at a rate of 6%, which approximated the Company's UK borrowing rate for the year 1994.

(B) To record a reduction to costs and expenses for the 1994 Other Acquired Companies based on results actually achieved by the Company for the periods subsequent to acquisition in the amount of $7,019,000 offset in part by additional costs and expenses of $3,101,000 resulting from the effect of applying purchase accounting adjustments, primarily amortization and depreciation.

Interest expense was added for debt and convertible debentures, issued in the purchase of the 1994 Other Acquired Companies, at stated rates. In addition, interest expense has been added for the cash portion of the purchase price assumed to be borrowed by the Company at the Company's weighted average borrowing rate of 4.60% for the year ended December 31, 1994 under its existing revolving credit facilities. At August 25, 1995, the borrowing rate was 5.90%.

(C) To eliminate corporate expenses, consisting primarily of duplicate personnel expenses, related to the acquisitions of GSG and PG.

(D) To record the additional depreciation expense (based on 50 year useful life and straight-line depreciation) on GSG's funeral home buildings resulting from the estimated change in fair value over historical cost.

(E) To record the amortization of names and reputations (based on 40 year straight-line amortization) created from the acquisition of PG by the Company.

(F) To eliminate the historical GSG and PG goodwill amortization expense.

(G) To record the additional cost of GSG's cemetery and cremation memorialization interment rights sold.

(H) To record the estimated additional amortization expense from the expenses associated with the December 1994 issuances of preferred securities of SCI Finance LLC and $200,000,000 fixed rate notes of the Company.

(I) To reverse imputed interest expense recorded in the Company's historical financial statements, related to the acquisition of GSG and PG, that would not have occurred if these acquisitions had been completed on January 1, 1994.

(J) To reverse interest expense recorded in the Company's historical financial statements related to amounts borrowed under the Company's revolving credit agreements to partially fund the acquisitions of GSG and PG. This indebtedness would not have been necessary if the acquisition of GSG and PG had been funded with proceeds from the December 1994 public offerings.

(K) To record the estimated reduction in interest expense resulting from the assumed partial repayment of $95,205,000 of indebtedness under the Company's revolving credit agreements. Such repayment funds were derived from the net proceeds of the December 1994 public offerings available after the purchase of GSG and PG. The reduction was calculated using the Company's weighted average borrowing rate of 4.60% for the year ended December 31, 1994 under its revolving credit agreements and commercial paper borrowings.

(L) To record approximately 11 months of additional interest expense on the December 1994 $200,000,000 notes at annual interest rate of 8.375%.

(M) To record the estimated reduction in net interest expense achieved from a cross currency hedging transaction entered into by the Company in December 1994 as if such transaction had been entered into on January 1, 1994. This transaction effectively converts $272,500,000 of U.S. fixed rate indebtedness into floating rate UK pound sterling indebtedness, raising SCI's total UK pound sterling exposure to $472,500,000, which is comparable to the size of the acquisitions of GSG and PG.

(N) To reverse interest expense recorded in the Company's historical financial statements related to amounts borrowed under two bank facilities secured to temporarily fund the GSG and PG acquisitions. This indebtedness would not have been necessary if the acquisition of GSG and PG had been funded with proceeds from the December 1994 public offerings.

(O) To record the additional dividends at 6.25% on the preferred securities of SCI Finance LLC issued in December 1994 in order to present a full year of dividends.

(P) To record the tax effect of the pro forma adjustments.

(Q) To give effect to the additional time period during which the Company common stock (in the case of the primary and fully diluted weighted average number of shares) and convertible debt (in the case of the fully diluted weighted average number of shares) issued during the period between January 1, 1994 and December 31, 1994 in respect to the acquisition of the 1994 Other Acquired Companies would have been outstanding if all of such acquisitions had occurred as of January 1, 1994.

(R) To record the additional impact from the issuance of 7,700,000 shares in December 1994 and 780,000 shares in January 1995.

(S) To record the additional impact on the fully diluted weighted average number of shares of the preferred securities of SCI Finance LLC issued in December 1994.

1995 TRANSACTIONS
1995 OTHER ACQUIRED COMPANIES

(O1) To record a reduction to costs and expenses for the 1995 Other Acquired Companies based on results actually achieved by the Company for the periods subsequent to acquisition in the amount of $3,983,000 offset in part by additional costs and expenses of $2,762,000 resulting from the effect of applying purchase accounting adjustments, primarily amortization and depreciation.

Interest expense was added for debt and convertible debentures, issued in the purchase of the 1995 Other Acquired Companies, at stated rates. In addition, interest expense has been added for the cash portion of the purchase price assumed to be borrowed by the Company at the Company's weighted average borrowing rate of 4.60% for the year ended December 31, 1994 under its existing revolving credit facilities. At August 25, 1995, the borrowing rate was 5.90%.

(O2) To record the tax effect for the 1995 Other Acquired Companies pro forma adjustments.

(O3) To give effect to the additional time period during which the Company common stock (in the case of the primary and fully diluted weighted average number of shares) and convertible debt (in the case of the fully diluted weighted average number of shares) issued during the period between January 1, 1994 and December 31, 1994 in respect to the acquisition of the 1995 Other Acquired Companies would have been outstanding if all of such acquisitions had occurred as of January 1, 1994.

CANADA

(C1) To record the additional amortization of names and reputations (based on 40 year straight-line amortization) created from the acquisition of the SCIC minority interest.

(C2) To record the additional cost of SCIC's cemetery interment rights sold.

(C3) To record the estimated interest expense for the purchase price of the SCIC minority interest ($61,293,000) assumed to have been borrowed by the Company under its existing revolving credit facilities. The calculation was based on a weighted average annual three month Canadian banker's acceptance borrowing rate plus 25 basis points for the year ended December 31, 1994 (5.76%). At August 25, 1995, the borrowing rate was 6.71%.

(C4) To eliminate the 1994 SCIC minority interest charge.

(C5) To record the tax effect for SCIC's minority interest pro forma adjustments.

GIBRALTAR

(G1) To eliminate Gibraltar intercompany revenues and costs relating to cemetery construction activities.

(G2) To conform Gibraltar's prearranged funeral accounting to the Company's. The revenue adjustment includes $1,306,000 of revenue relating to earnings on amounts held in trust which Gibraltar recognized currently which would be deferred under the Company's accounting policies and $596,000 of revenue recognized by Gibraltar relating to certain prearranged funeral payments not required to be held in trust which would also be deferred under the Company's accounting policies. The adjustment to costs and expenses for $830,000 relates to prearranged funeral selling expenses that would be capitalized under the Company's accounting policies but were recognized currently by Gibraltar.

(G3) To conform Gibraltar's cemetery accounting to the Company's. This includes an adjustment to reclassify $5,301,000 of revenues and costs and expenses relating to contract cancellations. In addition, this adjustment includes a reduction of Gibraltar historical costs and expenses for $1,833,000, representing reduced cost accruals for certain cemetery sales.

(G4) To record the acquisition of five separate businesses acquired at various dates by Gibraltar between January 1, 1994 and December 31, 1994 as if such acquisitions had occurred on January 1, 1994.

(G5) To eliminate Gibraltar corporate expenses consisting primarily of former owner salaries and duplicate home office personnel expenses.

(G6) To eliminate the historical Gibraltar goodwill amortization expense.

(G7) To record the additional cost of Gibraltar's cemetery interment rights sold.

(G8) To eliminate the interest expense on Gibraltar debt assumed to be repaid by the Company.

(G9) To record additional interest expense for the cash portion of the purchase price assumed to be borrowed by the Company under its existing revolving credit facilities. The Company's weighted average borrowing rate for such revolving credit facilities was 4.60% for the year ended December 31, 1994. At August 25, 1995, the borrowing rate was 5.90%.

(G10) To record the tax effect of Gibraltar's pro forma adjustments.

(G11) To reflect the issuance of 3,286,759 shares in respect to the acquisition of Gibraltar that would have been outstanding if the acquisition had occurred on January 1, 1994. The shares were assumed to be issued at $35 per share representing the average stock price on August 25, 1995.

OGF/PFG

(F1) To eliminate the historical OGF/PFG goodwill amortization expense.

(F2) To record the amortization of names and reputations (based on 40 year straight-line amortization) created from the acquisition of OGF/PFG by the Company.

(F3) To eliminate OGF/PFG's historical depreciation expense which was calculated using shorter depreciable asset lives than does the Company under its accounting policies. Additionally, OGF/PFG, for certain assets, used accelerated depreciation

methods. The Company uses a straight-line method of depreciation expense recognition.

(F4) To record the depreciation expense on OGF/PFG's property, plant and equipment using the Company's depreciation policies based on the current fair value.

(F5) To record the amortization of the present value of future profits related to OGF/PFG's life insurance subsidiary, net of the amount allocated to policyholders, under French insurance regulations.

(F6) To eliminate the amortization of deferred acquisition costs related to the life insurance subsidiary which were recorded in OGF/PFG's historical income statement.

(F7) To eliminate historical OGF/PFG expenses that will not continue under the Company's ownership. Such costs are primarily the result of OGF/PFG personnel whose positions were permanently eliminated in anticipation of the acquisition of OGF/PFG by the Company.

(F8) To record interest expense on amounts borrowed under the French Revolving Credit Agreement ($589,570,000) at 6.10% which represents the weighted average three month PIBOR borrowing rate plus 25 basis points for the year ended December 31, 1994 applied to a French franc balance as of June 30, 1995 and translated at a weighted average exchange rate for the year ended December 31, 1994. At August 25, 1995, the borrowing rate was 5.98%.

(F9) To eliminate interest expense on amounts borrowed under the French Revolving Credit Agreement that the Company intends to repay with $183,180,000 of OGF/PFG cash acquired. OGF/PFG received substantially all of this cash from the sale, in 1994, of its investment in PG to the Company. The reduction was calculated using a weighted average annual interest rate of 6.10%, which represents the weighted average three month PIBOR borrowing rate plus 25 basis points for the year ended December 31, 1994 applied to a French franc balance as of June 30, 1995 and translated at the weighted average exchange rate for the year ended December 31, 1994. At August 25, 1995, the borrowing rate was 5.98%.

(F10) To eliminate OGF/PFG historical interest income earned on OGF/PFG excess cash ($183,180,000) that the Company intends to use to partially repay borrowings under the French Revolving Credit Agreement.

(F11) To eliminate OGF's year ended 1994 charge for the minority interest in PFG assuming acquisition of 100% of PFG by the Company.

(F12) To eliminate the gain on sale of PG. The Company purchased PG, which was an equity investee of OGF, in 1994.

(F13) To record the tax effect of the OGF/PFG pro forma adjustments.

The following adjustments were made to the historical financials of GSG and PG in order to restate historical financial statements to US GAAP (included in the unaudited pro forma combined statement of income for the year ended December 31, 1994 in the column captioned "1994 Historical - GSG & PG and Other Acquired Companies"):

	Historic Amounts Converted to US Dollars in UK GAAP*		Adjustments to US GAAP		As reported in Unaudited Pro Forma Combined Statement of Income	
	GSG	PG	GSG	PG	GSG	PG
Revenues	$ 33,714	$ 52,484	$ -	$ -	$33,714	$ 52,484
Costs and expenses	(26,682)	(40,365)	(184)(1) (388)(2)	(205)(1) (2,114)(2)	(27,254)	(42,684)
Interest expense and other . .	(731)	(405)	-	-	(731)	(405)
Provision for income taxes . .	(2,079)	(3,689)	60 (1)	67 (1)	(2,019)	(3,622)
Net income	$ 4,222	$ 8,025	$ (512)	$(2,252)	$ 3,710	$ 5,773

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*One UK pound sterling equivalent to $1.52, which represents the average exchange rate for the eight months ended August 31, 1994.

(1) To depreciate buildings straight-line over 50 years for GSG and PG.
(2) To amortize PG's historical goodwill balance straight-line over 40 years.

The following adjustments were made to the historical financials of OGF/PFG in order to restate historical financial statements to US GAAP:

	Historic Amounts Converted to US Dollars in F GAAP	Adjustments to US GAAP	As reported in Unaudited Pro Forma Combined Statement of Income
Revenues	$ 500,884	$ 8,257 (3)	$ 509,141
Costs and expenses	(467,825)	472 (2)	(471,390)
		18 (5)	
		(4,055) (3)	
Other income (expense)	(18,044)	(129) (1)	(18,075)
		(384) (2)	
		136 (3)	
		350 (4)	
		(4) (5)	
Gain on sale of subsidiaries	57,474	-	57,474
Provision for income taxes	(18,927)	(1,019) (4)	(21,176)
		(6) (5)	
		(1,224) (3)	
Net income	$ 53,562	$ 2,412	$ 55,974

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*One French franc equivalent to $.1802, which represents the average exchange rate for the year ended December 31, 1994.

(1) To record the effect of Statement of Financial Accounting Standards ("FAS") No. 115 "Accounting for Certain Investments in Debt and Equity Securities".
(2) To record capital leases to comply with FAS No. 13 "Accounting for Leases".
(3) To consolidate OGF/PFG's wholly owned life insurance subsidiary, which was recorded under the equity method of accounting by OGF/PFG, to comply with FAS No. 94 "Consolidation of All Majority-Owned Subsidiaries", FAS No. 60 "Accounting and Reporting by Insurance Enterprises" and FAS No. 97 "Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments".
(4) To record FAS No. 109 "Accounting for Income Taxes".
(5) To record FAS No. 87 "Employers' Accounting for Pension" and FAS No. 106 "Employers' Accounting for Post-retirement Benefits Other Than Pensions".

Service Corporation International
Unaudited Pro Forma Combined Statement of Income
Six Months Ended June 30, 1995
(Thousands, except per share amounts)

Historical

	The Company Historical	OGF/PFG	Gibraltar	Other Acquired Companies	Pro Forma Adjustments	Pro Forma Combined Total
Revenues	$701,762	$272,632	$45,556	$18,439	$ (843) (G1) (3,227) (G2)	$1,034,319
Costs and expenses	(479,105)	(257,606)	(38,031)	(16,370)	362 (G1) 4,222 (G2) 1,019 (G3) 112 (G4) (718) (G5) 479 (O1) (470) (C1) (32) (C2) 857 (F1) (1,409) (F2) 12,670 (F3) (6,822) (F4) (52) (F5) 362 (F6) 2,352 (F7)	(778,180)
Gross profit	222,657	15,026	7,525	2,069	8,862	256,139
General and administrative expenses	(23,471)	-	-	-	-	(23,471)
Income from operations	199,186	15,026	7,525	2,069	8,862	232,668
Interest expense	(52,809)	(1,901)	(2,361)	(308)	2,144 (G6) (4,503) (G7) (2,714) (O1) (2,467) (C3) (20,468) (F8) 6,359 (F9)	(79,028)
Dividends on preferred securities of SCI Finance LLC	(5,391)	-	-	-	-	(5,391)
Other income (expense)	3,073	4,111	(47)	-	1,451 (C4) 3,185 (F10) (6,468) (F11)	5,305
Income before income taxes	144,059	17,236	5,117	1,761	(14,619)	153,554
Provision for income taxes	(56,039)	(8,857)	(2,121)	(685)	872 (O2) 1,100 (C5) 602 (G8) 4,428 (F12)	(60,700)
Net income	$88,020	$8,379	$2,996	$1,076	$(7,617)	$ 92,854
Earnings per share:						
Primary	$0.91					$ 0.93
Fully diluted	$0.85					$ 0.86
Primary weighted average shares	96,729				3,287 (G9) 147 (O3)	100,163
Fully diluted weighted average shares	112,611				3,287 (G9) 147 (O3)	116,045

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See note (F13) to this unaudited pro forma combined statement of income for the six months ended June 30, 1995.

SERVICE CORPORATION INTERNATIONAL
NOTES TO THE UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
SIX MONTHS ENDED JUNE 30, 1995

1995 OTHER ACQUIRED COMPANIES

(O1) To record a reduction to costs and expenses for the 1995 Other Acquired Companies based on results actually achieved by the Company for the periods subsequent to acquisition in the amount of $1,860,000 offset in part by additional costs and expenses of $1,381,000 resulting from the effect of applying purchase accounting adjustments, primarily amortization and depreciation.

Interest expense was added for debt and convertible debentures, issued in the purchase of the 1995 Other Acquired Companies, at stated rates. In addition, interest expense has been added for the cash portion of the purchase price assumed to be borrowed by the Company at the Company's weighted average borrowing rate of 6.14% for the six months ended June 30, 1995, under its existing revolving credit facilities. At August 25, 1995, the borrowing rate was 5.90%.

(O2) To record the tax effect for the 1995 Other Acquired Companies pro forma adjustments.

(O3) To give effect to the additional time period during which the Company common stock (in the case of the primary and fully diluted weighted average number of shares) and convertible debt (in the case of the fully diluted weighted average number of shares) issued during the period between January 1, 1995 and June 30, 1995 in respect to the acquisition of the 1995 Other Acquired Companies would have been outstanding for the six months ended June 30, 1995 if all of such acquisitions had occurred as of January 1, 1994.

CANADA

(C1) To record the additional amortization of names and reputations (based on 40 year straight-line amortization) created from the acquisition of the SCIC minority interest.

(C2) To record the additional costs of SCIC's cemetery interment rights sold.

(C3) To record the estimated interest expense for the purchase price of the SCIC minority interest ($61,293,000) assumed to have been borrowed by the Company under its existing revolving credit facilities. The calculation was based on a weighted average annual three month Canadian banker's acceptance borrowing rate plus 25 basis points for the six months ended June 30, 1995 (8.05%). At August 25, 1995, the borrowing rate was 6.71%.

(C4) To eliminate the 1995 SCIC minority interest charge.

(C5) To record the tax effect for SCIC's minority interest pro forma adjustments.

GIBRALTAR

(G1) To conform Gibraltar's prearranged funeral accounting to the Company's. The revenue adjustment includes $604,000 of revenue relating to earnings on amounts held in trust which Gibraltar recognized currently which would be deferred under the Company's accounting policies and $239,000 of revenue recognized by Gibraltar relating to certain prearranged funeral payments not required to be held in trust which would also be deferred under the Company's accounting policies. The adjustment to costs and expenses for $362,000 relates to prearranged funeral selling expenses that would be capitalized under the Company's accounting policies but were recognized currently by Gibraltar.

(G2) To conform Gibraltar's cemetery accounting to the Company's. This includes an adjustment to reclassify $3,227,000 of revenues and costs and expenses relating to contract cancellations. In addition, this adjustment includes a reduction of Gibraltar's historical costs and expenses for $995,000, representing reduced cost accruals for certain cemetery sales.

(G3) To eliminate Gibraltar corporate expenses consisting primarily of former owner salaries and duplicate home office personnel expenses.

(G4) To eliminate the historical Gibraltar goodwill amortization expense.

(G5) To record the additional cost of Gibraltar's cemetery interment rights sold.

(G6) To eliminate the interest expense on Gibraltar debt assumed to be repaid by the Company.

(G7) To record additional interest expense for the cash portion of the purchase price assumed to be borrowed by the Company under its existing revolving credit facilities. The Company's weighted average borrowing rate for such revolving credit facilities was 6.14% for the six months ended June 30, 1995. At August 25, 1995, the borrowing rate was 5.90%.

(G8) To record the tax effect of Gibraltar's pro forma adjustments.

(G9) To reflect the issuance of 3,286,759 shares in respect to the acquisition of Gibraltar that would have been outstanding if the acquisition had occurred as of January 1, 1995. The shares were assumed to be issued at $35 per share representing the average stock price on August 25, 1995.

OGF/PFG

(F1) To eliminate the historical OGF/PFG goodwill amortization expense.

(F2) To record the amortization of names and reputations (based on 40 year straight-line amortization) created from the acquisition of OGF/PFG by the Company.

(F3) To eliminate OGF/PFG's historical depreciation expense which was calculated using shorter depreciable asset lives than does the Company under its accounting policies. Additionally, OGF/PFG, for certain assets, used accelerated depreciation methods. The Company uses a straight-line method of depreciation expense recognition.

(F4) To record the depreciation expense on OGF/PFG's property, plant and equipment using the Company's depreciation policies based on the current fair value.

(F5) To record the amortization of the present value of future profits related to OGF/PFG's life insurance subsidiary, net of the amount allocated to policyholders, under French insurance regulations.

(F6) To eliminate the amortization of deferred acquisition costs related to the life insurance subsidiary which were recorded in OGF/PFG's historical income statement.

(F7) To eliminate historical OGF/PFG expenses that will not continue under the Company's ownership. Such costs are primarily the result of OGF/PFG personnel whose positions were permanently eliminated and professional expenses incurred in anticipation of the acquisition of OGF/PFG by the Company.

(F8) To record interest expense on amounts borrowed under the French Revolving Credit Agreement ($589,570,000) at 7.22% which represents the weighted average three month PIBOR borrowing rate plus 25 basis points for the six months ended June 30, 1995 applied to a French franc balance as of June 30, 1995 and translated at the weighted average exchange rate for the six months ended June 30, 1995. At August 25, 1995, the borrowing rate was

5.98%.

(F9) To eliminate interest expense on amounts borrowed under the French Revolving Credit Agreement that the Company intends to repay with $183,180,000 of OGF/PFG cash acquired. OGF/PFG received substantially all of this cash from the sale, in 1994, of its investment in PG to the Company. The reduction was calculated using a weighted average annual interest rate of 7.22%, which represents the weighted average three month PIBOR borrowing rate plus 25 basis points for the six months ended June 30, 1995 applied to a French franc balance as of June 30, 1995 and translated at the weighted average exchange rate for the six months ended June 30, 1995. At August 25, 1995, the borrowing rate was 5.98%.

(F10) To eliminate OGF's six month charge for the minority interest in PFG assuming acquisition of 100% of PFG by the Company.

(F11) To eliminate OGF/PFG historical interest income earned on OGF/PFG excess cash ($183,180,000) that the Company intends to use to partially repay borrowings under the French Revolving Credit Agreement.

(F12) To record the tax effect of the OGF/PFG pro forma adjustments.

(F13) The earnings of OGF/PGF's life insurance subsidiary for the six months ended June 30, 1995 included realized losses on sales of portfolio debt securities. The net effect of the debt security sales, after profit participation by policyholders, was a loss before income taxes of approximately US $7,950,000. On August 25, 1995, the Company adopted a policy with respect to OGF/PFG's life insurance subsidiary to hold all debt securities to maturity. Had the Company's investment policy been in effect during the period, such security sales would not have occurred.

The following adjustments were made to the historical financials of OGF/PFG in order to restate historical financial statements to US GAAP:

	Historic Amounts Converted to US Dollars in F GAAP	Adjustments to US GAAP	As reported in Unaudited Pro Forma Combined Statement of Income
Revenues	$ 275,318	$ 78 (1) (2,764) (3)	$ 272,632
Costs and expenses	(254,536)	260 (2) (755) (5) (2,575) (3)	(257,606)
Other income (expense)	3,901	(29) (1) (200) (2) (1,500) (3) (133) (4) 171 (5)	2,210
Provision for income taxes	(9,020)	(104) (4) 267 (5)	(8,857)
Net income	$ 15,663	$ (7,284)	$ 8,379

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*One French franc equivalent to $.1983, which represents the average exchange rate for the six months ended June 30, 1995.

(1) To record the effect of Statement of Financial Accounting Standards ("FAS") No. 115 "Accounting for Certain Investments in Debt and Equity Securities".
(2) To record capital leases to comply with FAS No. 13 "Accounting for Leases".
(3) To consolidate OGF/PFG's wholly owned life insurance subsidiary, which was recorded under the equity method of accounting by OGF/PFG, to comply with FAS No. 94 "Consolidation of All Majority-Owned Subsidiaries", FAS No. 60 "Accounting and Reporting by Insurance Enterprises" and FAS No. 97 "Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments". The earnings of OGF/PFG's life insurance subsidiary for the six months ended June 30, 1995 included realized losses on sales of debt securities. The net effect of the debt security sales, after profit participation by policyholders, was a loss before income taxes of approximately US $7,950,000.
(4) To record FAS No. 109 "Accounting for Income Taxes".
(5) To record FAS No. 87 "Employers' Accounting for Pension" and FAS No. 106 "Employers' Accounting for Post-retirement Benefits Other Than Pensions".

(b) Financial statement of businesses acquired

OGF/PFG GROUP (Presented in Accordance with French GAAP)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31 1994 AND 1993

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	NOTE	1994	1993
FIXED ASSETS			
Intangible Assets	3	129,970	477,866
Tangible Assets	4	891,630	1,155,193
Investments	5	144,348	168,628
		1,165,948	1,801,687
CURRENT ASSETS			
Stocks	6	216,020	249,128
Debtors	7	382,030	460,595
Investments	8	47,928	50,532
Cash Investments		984,486	323,209
		1,630,464	1,083,464
CURRENT LIABILITIES			
Bank loans and overdrafts		39,978	64,500

Other financial debt		1,739	78,482
Trade and other creditors		593,342	668,062
		635,059	811,044
NET CURRENT ASSETS		995,405	272,420
Total assets less current liabilities		2,161,353	2,074,107
Long-term debt	12	132,967	321,782
Provisions for liabilities and charges	11	151,719	166,003
TOTAL ASSETS LESS LIABILITIES		1,876,667	1,586,322

OGF/PFG GROUP

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31 1994 AND 1993

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	NOTE	1994	1993
CAPITAL AND RESERVES			
Called up share capital		243,483	243,373
Share premium account		255,914	255,749
Revaluation reserve		16,643	17,494
Other reserves	10	639,991	575,676
Profit and loss account		297,866	128,267
Total group's share	9	1,453,897	1,220,559
Minority interests		422,770	365,763
TOTAL STOCKHOLDERS' EQUITY AND MINORITY INTERESTS		1,876,667	1,586,322

OGF/PFG GROUP

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEARS ENDED DECEMBER 31 1994 AND 1993

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	NOTE	1994	1993
TURNOVER	14	2,753,446	3,269,849
Other operating income		41,159	67,706
		2,794,605	3,337,555
OPERATING COSTS AND EXPENSES	15	(2,567,808)	(3,003,782)
OPERATING PROFIT		226,797	333,773
Share of profit of associated companies (1)		522	20,298
Financial income, net	16	21,138	371
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAXATION		248,457	354,442
Exceptional profit /loss (2)		272,333	(38,974)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		520,790	315,468
Taxation	17	(106,871)	(121,410)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		413,919	194,058
Minority interests in profit		(116,053)	(65,791)
Profit for the year		297,866	128,267

		1994	1993
(1)	Companies consolidated by the equity method.		
(2)	Exceptional profit	299,016	17,616
	Employees profit sharing	(26,336)	(37,897)
	Amortization of goodwill	(347)	(18,693)
		272,333	(38,974)

OGF/PFG GROUP

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEARS ENDED DECEMBER 31 1994 AND 1993

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	1994	1993
SOURCE OF FUNDS FROM OPERATIONS	217,134	337,128
OTHER SOURCES:		
Increase in capital	11,596	29,249
Disposals of fixed assets investments	704,932	16,669
Disposals of tangible and intangible fixed assets	30,434	71,583
Change in the number of consolidated companies and effects of the restructuring	-	201,805
Increase in long-term financial debt	1,098	15,117
Other, net	19,668	17,884
TOTAL SOURCES OF FUNDS	984,862	689,435
APPLICATION OF FUNDS :		
Acquisition of tangible fixed assets	164,517	220,025
Acquisition of intangible fixed assets	9,054	24,184
Acquisition of long term investments	30,586	15,971
Dividends paid	64,493	57,406
Dividends paid to minority interests	14,435	30,060
Decrease in long term financial debt	58,555	183,790
Other, net	(7,245)	151,578
TOTAL APPLICATIONS OF FUNDS	334,395	683,014
(DECREASE) INCREASE IN WORKING CAPITAL	650,467	6,421
ARISING FROM MOVEMENTS IN:		
Net liquid funds	687,239	68,122
Other current assets/liabilities	(36,772)	(61,701)

The 31 December 1994 statement of source and application of funds has been prepared in accordance with French accounting principles; receivables and payables are not classified according to their maturity (more or less than one year) but in relation to their operating cycle.

OGF/PFG GROUP

NOTES TO THE CONSOLIDATED ACCOUNTS

1. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

1.1 1994 SIGNIFICANT EVENTS

The main event of 1994 has been the sale of Group interests in the British funeral company "Plantsbrook" which has generated in the consolidated accounts a total capital gain of 317.462 thousand French francs (before tax effect). The global positive impact of this operation on Group profit is 175.626 thousand French francs.

Pradel has sold its interests in Gemroc. The loss generated of 26.840 thousand French francs (of which 25.565 thousand French francs related to the receivables and 1.275 thousand French francs to the shares) is largely compensated by the recovery of the provision for liability on subsidiaries of 32.000 thousand French francs. Taking into account tax economies due to the tax integration of OGF and Pradel, this sale generates an increase in Group profit of 15.997 thousand French francs.

The conversion into shares of convertible bonds issued by PFG has decreased the percentage of ownership of OGF in PFG from 66% to 65%. The loss of interest due to this dilution has been posted to extraordinary income for 3.982 thousand French francs. During 1994 all remaining convertible bonds have either been converted or reimbursed.

1.2 ACCOUNTING PRINCIPLES

As a French company, Omnium de Gestion et de Financement SA maintains its accounting records and prepares its financial statements in accordance with French law and generally accepted accounting practices in France.

1.21 ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

1.22 BASIS OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with the recommendations of the French National Accounting Committee, known as the Conseil National de la Comptabilite.

Companies which are consolidated must have a minimum net shareholders equity of FRF 5 million and FRF 15 millions in turnover.

These criteria do not apply to subsidiaries which are part of a sub-consolidation which is then included in OGF Group's consolidated accounts. The interest in consolidated net income is computed on the basis of year end ownership percentage, except for newly consolidated companies acquired during the year.

Companies over which the Group exercises legal or de facto control are fully consolidated. Companies are accounted for under the equity method when the Group's equity interest is less than 40% but more than 20%. The Auxia sub-group which is governed by the French insurance law and which accounts are therefore structurally different, is consolidated under the equity method. The equity method is also used for the Hygeco sub-group since the Group does not have effective control.

Consequently, for the year ended 31 December, 1994, 62 companies are included in the Group's consolidated financial statements, compared to 69 as of December 31, 1993:

o 48 fully consolidated

o 2 consolidated by the equity method: Auxia, and the Hygeco Group which includes 13 companies.

Due to the buy out of COMIPAR, which is now 100% owned by the Group, and is itself the parent company of the Italian sub-group (COMIPAR, OFISA and OFT), this sub-consolidation is no longer accounted for by proportional consolidation but is fully consolidated as of December 31, 1994.

During 1994, 7 companies have been deconsolidated:

- the British group Plantsbrook (5 companies) was sold during the second semester of 1994;

- the "Compagnie Generale des Pompes Funebres" has been absorbed by AFM. The new entity is now known as "Compagnie Generale des Pompes Funebres".

This merger has generated a profit of 779 thousand French francs posted to extraordinary income.

- Gemroc was sold during the first semester of 1994.

Three companies previously non-consolidated have been absorbed:

- Ambulances Beaurepairoises absorbed by AFM;

- the Sainte Marguerite joint venture and the company A. Barthelis absorbed by "Pompes Funebres du Sud-Est".

As a general rule, companies which are consolidated have a 31 December year-end.

When provisional accounts are used for consolidation, the difference between the provisional and the definitive accounts is reintegrated in the following year's consolidation.

Inter-company balances and transactions between companies included in the consolidation perimeter are eliminated for consolidation purposes.

1.23 FIXED ASSETS

Fixed Assets reported in the consolidated financial statements represent the amount of fixed assets of the consolidated companies. For companies that have revalued their assets, according to applicable legal factors, these assets have been consolidated at the reevaluated value.

No restatement of amortizations has been made in the consolidated accounts.

Differences resulting from the reevaluation of non-amortizable fixed assets (reevaluation reserves) have been incorporated in the calculation of net equity and minority interests.

1.24 INTANGIBLE FIXED ASSETS

For consolidation purposes, goodwill has been amortized using the following rates:

- 10% for goodwill related to the funeral business,

- 5% for goodwill related to marble-working and sales of flowers.

Other intangible fixed assets are amortized on a straight-line basis over the following estimated useful economic lives:

- software: 12 months prorata temporis

- patents: 5 and 20 years

- trademarks: 10 years

- usufruct reserve: 30 years

Until September 1, 1993, intangible assets acquired through a transfer or a merger were accounted for their net value and amortized over the remaining useful life.

For assets acquired after that date, their new owner has accounted for the gross value and the accumulated depreciation relating to these assets. The initial amortization plan is maintained.

1.25 TANGIBLE FIXED ASSETS

Tangible fixed assets are depreciated on a straight-line or an accelerated method depending on tax advantages and according to the following expected useful economic lives:

- 20 to 40 years for buildings

- 5 to 10 years for plants and machinery

- 5 to 10 years for fixtures and fittings

- 4 to 5 years for vehicles

- 4 to 10 years for office furniture and equipment

The method described above concerning intangible assets acquired through a transfer or a merger from September 1, 1993 is also used for tangible assets.

1.26 NON CONSOLIDATED INVESTMENTS

Investments in non consolidated subsidiaries and affiliates are recorded at their book value for the parent company, i.e. cost of acquisition reduced by a provision accrued in order to take into account their year-end realizable value as considered necessary by the Board of Directors.

1.27 STOCK AND WORK IN PROGRESS

Stock and work in progress are stated at the lower of either purchase or production cost and net realizable value.

1.28 REGULATED PROVISIONS

Provisions relating to foreign exchange fluctuation, inflation and depreciation accrued for under advantageous fiscal situations, have been booked to consolidated shareholders' equity. Corresponding movements appear in the consolidated profit and loss account.

1.29 EMPLOYEE PROFIT SHARING

Provisions are made for employee profit sharing in the profit and loss account for the year during which the employees acquire these rights.

1.30 DEFERRED TAXATION

Provisions for deferred tax have been established in accordance with the liability method, in order to record tax charges in the relevant accounting period. This is done by taking into account any timing differences which may exist between the date when certain items are recorded in the income statement and the date when they are included in taxable income. Deferred taxes are calculated at each year end at current tax rates (any remaining prior year deferred tax amounts are adjusted to take into account new tax rates or legislation). The rates applied to calculate deferred taxes as at December 31, 1994 were the corporate income tax rates for 1994 (33 1/3% for operations taxable at the standard rate and 19% for operations subject to the long term capital gains (losses) rules).

1.31 DIVIDEND DISTRIBUTION

Dividend tax withholdings are deducted from net income prior to distribution.

1.32 GOODWILL ARISING ON CONSOLIDATION

Negative goodwill arising from the consolidation of companies acquired several years ago is treated as consolidated reserves. Positive goodwill has been booked as an asset and negative goodwill as a liability ("Provisions for liabilities and charges"). Goodwill is amortized over 20 years. Amortization of goodwill is recorded on the last line of the profit and loss account, as required by the COB.

1.33 MARKETABLE SECURITIES

In determining the provision for loss in value of marketable securities to be included in the consolidated accounts, unrealized losses have been offset against unrealized gains, based on the market value of the securities.

1.34 TRANSLATION OF FOREIGN CURRENCY ITEMS

Foreign currency liabilities and receivables are translated at December 31 exchange rates.

Provisions are accrued for any unrealized losses resulting from foreign currency translation.

1.35 TRANSLATION OF FOREIGN COMPANIES' ACCOUNTS

International Accounting Standard IASC 21 is applied for the translation of foreign companies' accounts:

- all balance sheet accounts are translated at year end exchange rates, except for year end profit/loss which is translated at the weighted annual average for the month end rates,

- all profit and loss items are translated at the weighted annual average of the month end rates, except for calculated expenses and disposals of assets, which are translated at year end rates.

As of December 31, 1994 foreign currency translation of profit and loss items implied a FRF 877 thousand income decrease.

The impact of translation of year-end profit/loss is taken into account in shareholders' equity.

The translation difference of 3.803 thousand French francs, corresponding to the Plantsbrook Group and posted at shareholders' equity, has been reintegrated in the income statement following the sale of this Group.

Translation of foreign currency assets and liabilities resulted in a FRF 2.695 thousand increase in shareholders' equity.

1.36 PROFIT INCLUDED IN STOCKS

The profit included in PFG Group coffins stocks received from CGSM has not been eliminated since this restatement is not significant.

1.37 PENSION AND RETIREMENT OBLIGATIONS

All French companies in the Group have subscribed an Auxia contract covering their retirement obligations.

OGF/PFG GROUP

2. SUMMARY OF DIFFERENCES BETWEEN FRENCH AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The OGF Group financial statements comply with French generally accepted accounting principles which differ in certain respects from those applicable in the United States. The differences that may affect the consolidated net income and stockholders' equity of OGF Group are described below:

INVESTMENTS

Under French GAAP, debt securities held by the insurance company are valued at amortized cost. A reserve is made for realized gains and losses in proportion to the amount of gains and losses attributable to changes in market rates. The reserve is not reversed unless it is extinguished, whereby further declines are charged against income. Equity securities and real estate owned by the insurance company are valued at the lower of cost or market on a portfolio basis. Corporate investments of the OGF Group are recorded at the lower of cost or market.

US GAAP requires debt securities to be clasified as either "trading", "available-for-sale" or "held-to-maturity". Equity securities are classified as either "available-for-sale" or "trading". Securities classified as "held-to-maturity" are recorded at amortized cost; securities classified as "available-for-sale" and "trading" are recorded at market value. Unrealized gains and losses on "available-for-sale" and "trading" securities are reflected in stockholders' equity and income, respectively. Real estate investments are recorded at their depreciated cost.

INSURANCE REVENUES AND LIABILITIES

Under French GAAP, the insurance company accounts for its activities on a statutorial basis. Mathematical reserves are made for contracts with policyholders even if the contracts qualify as Investment deposits from policyholders or insurance contracts. Acquisition costs are deducted from the liability, the cash value of the contracts being reduced accordingly. Mathematical reserves are computed using a legal rate of interest in effect at the date the policy is subscribed (3.5/4.5%). Policyholders are legally entitled to a policyholder participation equal to 90% of operating income (excluding investment income) plus 85% of total investment income less interest credited to the mathematical reserves. This participation is attributable to the policyholders in proportion to a ratio equal to the mathematical reserves on the total investments held by the Company.

US GAAP requires the insurance company's contracts to be accounted for as either investment or long-duration contracts. Investment contracts are accounted similar to interest-bearing or other financial instruments; long-duration contracts are recognized in revenues and expenses over the period that the benefits from such contracts are provided; revenues and expenses are actuarially determined based on investment yields, mortality and lapse rates, and expenses.

OGF/PFG GROUP

FIXED ASSETS

Under French GAAP, certain fixed assets have been reevaluated. The re-evaluation is not allowed under US GAAP.

DEFERRED TAXES

OGF's accounting policy for deferred taxes under French GAAP is similar to US GAAP except for the following item:

- under French GAAP, OGF records deferred tax assets only when the future realization is probable rather than "more likely than not".

PENSION OBLIGATION

Under French GAAP, pension cost relating to Supplementary Executive Retirement Plans or to Severance Indemnities are recognized as expensed, that is when payments are made to beneficiaries or to the wholly owned life insurance company of the group. Compliance with US GAAP would require the recognition of a pension cost in conformity with FAS 87 and the recognition of an accrual or a prepaid for the difference between the fair value of plan assets and the projected benefit obligation.

POSTRETIREMENT OBLIGATION

The companies of the group participate in medical coverage postretirement plans in the form of contributions limited to certain amounts paid by the employee to multi-employer and single employer plans. Those plans are managed by trade union representatives. In French GAAP, a reserve is made for future contributions to be paid for current retirees. Under US GAAP, a supplementary reserve would be made for future retirees in proportion to services already rendered by employees.

LEASES

French law does not require capitalization of leases for financial reporting purposes. US GAAP required the capitalization of those leases in which substantially all the risks and benefits of ownership are transferred to the lessee.

OGF/PFG GROUP

PRESENTATION

The classification of certain items in, and the format of OGF's consolidated financial statements, vary to some extent from US GAAP. In addition, US GAAP requires a consolidated statement of cash flow instead of the consolidated statement of source and application of funds used by the OGF.

The most significant reporting and presentation practices followed by the

OGF Group which differ from US GAAP are described below:

- AUXIA, the insurance group controlled by OGF, is accounted for by the equity method. Under US GAAP, majority-owned insurance companies are fully consolidated.

- The French definition of the term "extraordinary item" is broader than in US GAAP. Also, under French GAAP, extraordinary items are not presented net of tax in the income statement.

- Under French GAAP, negative goodwill can be classified as a liability. Under US GAAP, negative goodwill is written off proportionately against identifiable long-term assets acquired before a deferred credit for any remaining negative goodwill can be recorded.

OGF/PFG GROUP

3. - INTANGIBLE ASSETS:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

GROSS-VALUE	JANUARY 1, 1994	NEWLY CONSOLIDATED COMPANIES	ACQUISITIONS NEW LOANS ETC...	MODIFICATION IN CONSOLIDATION PERIMETER	DISPOSALS AND REPAYMENTS	OTHER VARIATIONS	DEC. 31 1994
Concessions, patents, licences	8,258		40	(7,515)		(673)	110
Commercial goodwill	161,747	538	7,603	(27,883)	(8,619)	542	133,928
Goodwill	417,227	4,341	10,488	(396,133)		1,574	37,497
Other	13,900	863	1,411	(142)	(508)	572	16,096
	601,132	5,742	19,542	(431,673)	(9,127)	2,015	187,631

AMORTIZATION	JANUARY 1, 1994	NEWLY CONSOLIDATED COMPANIES	AMORTIZATION	MODIFICATION IN CONSOLIDATION PERIMETER	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1994
Concessions, patents, licences	2,552		32	(2,214)		(338)	32
Commercial goodwill	38,785		8,474	(7,868)	(2,847)	(2)	36,542
Goodwill	71,197	334	2,363	(66,689)		96	7,301
Other	10,732	551	2,755	(55)	(481)	284	13,786
TOTAL	123,266	885	13,624	(76,826)	(3,328)	40	57,661
NET VALUE	477,866	4,857	5,918	(354,847)	(5,799)	1,975	129,970

GROSS VALUE	JANUARY 1, 1993	NEWLY CONSOLIDATED COMPANIES	ACQUISITIONS NEW LOANS ETC.	OTHER ADDITIONS	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1993
Formation expenses	60	31			(60)	(31)	0
Concessions, patents, licences	8,042		216				8,258
Commercial goodwill	130,186	18,432	20,923	619	(8,072)	(341)	161,747
Goodwill	282,601	14,428	127,452(*)		(6,377)	(877)	417,227
Other	11,082		3,045	19	(131)	(115)	13,900
	431,971	32,891	151,636	638	(14,640)	(1,364)	601,132

AMORTIZATION	JANUARY 1, 1993	NEWLY CONSOLIDATED COMPANIES	AMORTIZATION	OTHER ADDITIONS	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1993
Formation expenses	60	7		371	(60)	(378)	0
Concessions, patents, licences	1,523		1,028	1			2,552
Commercial goodwill	22,481	4,750	13,410	202	(2,056)	(2)	38,785
Goodwill	51,914		19,283				71,197
Other	7,571		3,286		(85)	(40)	10,732
TOTAL	83,549	4,757	37,007	574	(2,201)	(420)	123,266
NET VALUE	348,422	28,134	114,629	64	(12,439)	(944)	477,866

(*) Includes 123,908 from the conversion of CPS owned by Plantsbrook.

4. - TANGIBLE ASSETS:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

GROSS-VALUE	JANUARY 1, 1994	NEWLY CONSOLIDATED COMPANIES	ACQUISITIONS NEW LOANS ETC...	MODIFICATION IN CONSOLIDATION PERIMETER	DISPOSALS AND REPAYMENTS	OTHER VARIATIONS	DEC. 31 1994
Land	137,757		2,170	(42,368)	(2,756)	91	94,894
Buildings	882,518	14,653	46,477	(207,400)	(11,304)	29,404	754,348
Installations	179,794	2,451	22,702	(140)	(9,925)	(8,618)	186,264
Other	658,153	6,302	56,748	(178,293)	(26,184)	33,620	550,346
In progress	38,952		36,799			(53,254)	22,497
	1,897,174	23,406	164,896	(428,201)	(50,169)	1,243	1,608,349

AMORTIZATION	JANUARY 1, 1994	NEWLY CONSOLIDATED COMPANIES	AMORTIZATION	MODIFICATION IN CONSOLIDATION PERIMETER	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1994
Land	222			(60)	(3)		159
Buildings	291,744	2,135	34,332	(22,718)	(6,906)	441	299,028
Installations	113,093	1,392	19,670	(41)	(7,270)	(8,249)	118,595
Other	336,922	4,403	69,487	(98,486)	(22,427)	9,038	298,937
In progress							
TOTAL	741,981	7,930	123,489	(121,305)	(36,606)	1,230	716,719
NET VALUE	1,155,193	15,476	41,407	(306,896)	(13,563)	13	891,630

GROSS VALUE	JANUARY 1, 1993	NEWLY CONSOLIDATED COMPANIES	ACQUISITIONS NEW LOANS ETC.	OTHER ADDITIONS	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC, 31 1993
Land	91,474	37,058	6,825	12,098	(9,490)	(208)	137,757
Buildings	636,855	183,689	78,378	19,241	(31,340)	(4,305)	882,518
Installations	166,615	794	16,821	1,801	(4,223)	(2,014)	179,794
Other	408,729	163,738	114,393	18,698	(46,591)	(814)	658,153
In progress	35,329		3,608	1,242		(1,227)	38,952
	1,339,002	385,279	220,025	53,080	(91,644)	(8,568)	1,897,174

AMORTIZATION	JANUARY 1, 1993	NEWLY CONSOLIDATED COMPANIES	AMORTIZATION	OTHER ADDITIONS	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1993
Land	163	44	6	9			222
Buildings	244,130	16,715	39,116	2,777	(10,526)	(468)	291,744
Installations	95,422	558	20,829	522	(3,427)	(811)	113,093
Other	192,345	82,115	86,793	6,207	(29,821)	(717)	336,922
In progress	0						0
TOTAL	532,060	99,432	146,744	9,515	(43,774)	(1,996)	741,981
NET VALUE	806,942	285,847	73,281	43,565	(47,870)	(6,572)	1,155,193

5.- INVESTMENTS:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

GROSS-VALUE	JANUARY 1, 1994	NEWLY CONSOLIDATED COMPANIES	ACQUISITIONS NEW LOANS ETC...	MODIFICATION IN CONSOLIDATION PERIMETER	DISPOSALS AND REPAYMENTS	OTHER VARIATIONS	DEC. 31 1994
Non consolidated investments and related receivables	77,419	12,327	5,920	(5,422)	(16,934)	431	73,741
Companies consolidated by the equity method	90,976					(15,694)	75,282
Loans	8,100		251	(815)	(6,129)	21	1,428
Other	17,903	1,031	2,907	(513)	(2,105)	(746)	18,477
	194,398	13,358	9,078	(6,750)	(25,168)	(15,988)	168,928

PROVISIONS FOR LOSS IN VALUE	JANUARY 1, 1994	NEWLY CONSOLIDATED COMPANIES	AMORTIZATION	MODIFICATION IN CONSOLIDATION PERIMETER	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1994
Non consolidated investments and related receivables	24,619		2,883		(3,966)		23,536
Loans and other	1,151		365	(199)	(273)		1,044
TOTAL	25,770		3,248	(199)	(4,239)		24,580
NET VALUE	168,628	13,358	5,830	(6,551)	(20,929)	(15,988)	144,348

GROSS VALUE	JANUARY 1, 1993	NEWLY CONSOLIDATED COMPANIES	ACQUISITIONS NEW LOANS ETC.	OTHER ADDITIONS	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1993
Non consolidated investments and related receivables	100,396	1,107	6,132	459	(11,431)	(19,244)	77,419
Companies consolidated by the equity method(*)	63,246			27,730			90,976
Loans	7,581		1,852	30	(1,095)	(268)	8,100
Other	187,354	26	3,633	1,798	(3,352)	(171,556)	17,903
	358,577	1,133	11,617	30,017	(15,878)	(191,068)	194,398

PROVISIONS FOR LOSS IN VALUE	JANUARY 1, 1993	NEWLY CONSOLIDATED COMPANIES	ACQUISITIONS NEW LOANS ETC.	OTHER ADDITIONS	DISPOSALS AND REPAYMENTS	OTHER DEDUCTIONS	DEC. 31 1993
Non consolidated investments and related receivables	30,543		2,548	243	(8,715)		24,619
Loans and other	43,750		481	251	(43,307)	(24)	1,151
TOTAL	74,293		3,029	494	(52,022)	(24)	25,770
NET VALUE	284,284	1,133	8,588	29,523	36,144	(191,044)	168,628

* The Plantsbrook Group is fully consolidated in 1993

6.- STOCKS:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	1994	1993
Raw materials and supplies	36,417	38,085
Production in progress	637	1,706
Intermediate and finished products	42,317	47,311
Goods for resale	148,614	180,112
TOTAL GROSS	227,985	267,214
PROVISIONS FOR LOSS OF VALUE	(11,965)	(18,086)
TOTAL NET	216,020	249,128
ANALYSIS BY SECTOR:		
Funeral services	129,398	134,131
Woodworking	78,008	87,074
International activity	8,614	16,324
Miscellaneous activities	-	11,599
TOTAL NET	216,020	249,128

7.- DEBTORS:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	1994	1993
CUSTOMER ACCOUNTS BY SECTOR:		
Funeral services	226,167	257,987
Woodworking	18,967	14,233
International activity	19,021	84,730
Miscellaneous activities	-	6,887
Total net	264,155	363,837
Provisions for bad debt	(25,922)	(38,826)
Total customer accounts net	238,233	325,011
Other debtors	143,797	135,584

TOTAL DEBTORS	382,030	460,595

8.- SHORT-TERM INVESTMENTS:

(EXPRESSED IN MILLIONS OF FRENCH FRANCS)

	1994	1993
Investment funds representative of short-term cash management and holdings in various shares and unit trusts (total market value of FRF 49.1 millions for 1994 and FRF 51.9 millions for 1993)	47.9	50.5

9.- MOVEMENTS IN CAPITAL AND RESERVES:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	1994	1993
At beginning of year	1,220,559	1,116,205
Increase in capital (including issue premium)	275	29,249
Dividends paid	(64,493)	(57,406)
Group profit for year	297,866	128,267
Other	(310)	4,244
AT END OF YEAR	1,453,897	1,220,559

10.- OTHER RESERVES:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	DECEMBER 31, 1994	DECEMBER 31, 1993
Legal reserve	24,337	23,919
General reserves	55,694	45,694
Long-term capital gains	175,398	167,376
Capital reserves on consolidation	340,837	299,669
Other	43,725	39,018
TOTAL	639,991	575,676

11.- PROVISIONS FOR LIABILITIES AND CHARGES:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	DECEMBER 31, 1994	DECEMBER 31, 1993
PROVISIONS FOR LIABILITIES:		
Provision for exchange rate losses on foreign investments	1,496	2,352
Provision for Group reorganization	12,000	12,000
Provision for liability on subsidiaries (1)	-	32,000
Provision for liabilities on employees	10,004	6,980
Other uncertainties (2)	47,061	28,149
Others	9,223	12,221
PROVISIONS FOR CHARGES:		
Retirement benefits	17,236	17,113
Cash collected in advance from customers	13,806	12,901
Provision for Group reorganization	3,835	7,397
Other	15,135	10,982
NEGATIVE GOODWILL	21,923	23,908
TOTAL	151,719	166,003

(1) The provision for liabilities on subsidiaries for 32.000 thousand French francs accrued for in 1993 has been entirely recovered in 1994 to compensate for losses generated by the sale of Gemroc.

(2) The provision for other liabilities is principally aimed at covering risks arising from competition as well as those that may arise due to the tax review for the period 1991 to 1993 that is currently in progress.

12.- LONG TERM DEBTS:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

A/ FINANCIAL DEBTS:

	DECEMBER 31, 1994	DECEMBER 31, 1993
Bank loans and borrowings:	19,514	92,940
Convertible bonds:	-	1,256

Other financial debt:	69,721	195,920
Deferred income taxes:	12,623	15,007
	101,858	305,123
B/ OTHER NON FINANCIAL:	31,109	16,659
TOTAL	132,967	321,782

13.- COMMITMENTS AND CONTINGENCIES:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	DECEMBER 31, 1994		
Given:			
Guarantees given to credit institutions	FRF	23,6	million
Commitments under lease-purchase contracts	FRF	65,9	million including
	FRF	37,0	million relating to real estate
Retirement indemnities for OFISA and OFT who have not subscribed an insurance contract	FRF	3,8	million
Retirement indemnities for other companies in the group who have subscribed life insurance contracts with Auxia	FRF	66,7	million
	FRF	1,9	million concern 1994 payments
Received:			
Usage value of leased assets	FRF	54,5	million including
	FRF	29,9	million relating to real estate
Warranties received (these mainly concern State contracts)	FRF	5,1	million

14.- TURNOVER ANALYSIS BY ACTIVITY AND GEOGRAPHIC LOCATION:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	1994	1993
Funeral services France	2,525,679	2,601,030
Woodworking	86,137	78,981
Financial activity	42	472
International	141,588	554,282
Miscellaneous activities		35,084
	2,753,446	3,269,849
France	2,571,120	2,680,418
Europe except France	134,598	546,680
Outside Europe	47,728	42,751
	2,753,446	3,269,849

15.- OPERATING COSTS AND EXPENSES:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	1994	1993
Consumption of materials or services purchased	1,138,447	1,389,836
Personnel cost	1,125,876	1,260,510
Taxes (other than income taxes)	125,372	144,126
Depreciation, amortization and provisions	158,616	196,469
Other	19,497	12,841
	2,567,808	3,003,782

16.- FINANCIAL INCOME AND EXPENSES:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	1994	1993
Dividends and interest income	4,351	3,214
Gains on sales of marketable securities		
Other	40,936	39,377
TOTAL FINANCIAL INCOME	45,287	42,591
Interest expense	9,147	34,248
Losses on sales of marketable securities		
Other	15,002	7,972
TOTAL FINANCIAL EXPENSES	24,149	42,220
FINANCIAL INCOME NET	21,138	371

17.- TAXATION:

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

A/ PROFIT AND LOSS ACCOUNT	1994	1993
Currently payable	108,417	118,196
Deferred	(1,546)	3,214
	106,871	121,410

B/ DEFERRED INCOME TAXES	DECEMBER 31, 1994	DECEMBER 31, 1993
Assets:	12,745	13,949
Liabilities:	(12,623)	(15,061)
NET ASSET BALANCE (LIABILITY)	122	(1,112)

18.- PERSONNEL:

	DECEMBER 31 1994	DECEMBER 31 1993
Funeral services	5,734	5,887
International activity	217	1,486
Coffins and Wood working	347	353
Property and finance	6	6
Miscellaneous activities	-	15
TOTAL	6,304	7,747

BARBIER FRINAULT & ASSOCIES
Membre d'Arthur Andersen & Co, SC
Tour Gan - Cedex 13
92082 Paris - La Defense 2

PGA
Tour Franklin
101, Terrasse Boieldieu - Cedex 11
92082 Paris - La Defense 8

We have audited the accompanying consolidated balance sheets of O.G.F. Group and subsidiaries as of December 31, 1994 and 1993 and the related consolidated statements of profit and loss and source and application of funds for the years then ended expressed in French francs.

Our audits were made in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and related schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of O.G.F. Group and subsidiaries as of December 31, 1994 and 1993 and the results of their operations for the years then ended in conformity with French generally accepted accounting principles which differ in certain respects from those followed in the United States (see note 2 to the consolidated financial statements).

The accompanying consolidated financial statements have been translated from those issued in French into the English language.

Paris - La Defense, France,
April 6, 1995.

/s/ CHRISTIAN CHOCHON	/S/ BRUNO BIZET
BARBIER FRINAULT & ASSOCIES	PGA
Christian CHOCHON	Bruno BIZET

OGF/PFG GROUP

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 1995 (UNAUDITED)

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	June 30, 1995
FIXED ASSETS	
Intangible Assets	127,045
Tangible Assets	886,410
Investments	163,418
	1,176,873
CURRENT ASSETS	
Stocks	224,250
Debtors	397,519

Investments	39,004
Cash Investments	944,926
	1,605,699
CURRENT LIABILITIES	
Bank loans and overdrafts	10,091
Other financial debt	4,665
Trade and other creditors	598,761
	613,517
NET CURRENT ASSETS	992,182
Total assets less current liabilities	2,169,055
Long-term debt	123,241
Provisions for liabilities and charges	158,447
TOTAL ASSETS LESS LIABILITIES	1,887,367

OGF/PFG GROUP

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 1995 (UNAUDITED)

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	June 30, 1995
CAPITAL AND RESERVES	
Called up share capital	243,483
Share premium account	255,914
Revaluation reserve	16,643
Other reserves	867,368
Profit and loss account	77,852
Total group's share	1,461,260
Minority interests	426,107

Total stockholders' equity and minority interests	1,887,367

OGF/PFG GROUP

CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 1995

(Expressed in thousands of French Francs)

	June 30, 1995
TURNOVER	1,387,595
Other operating income	4,491
	1,392,086
OPERATING COSTS AND EXPENSES	1,276,995
OPERATING PROFIT	115,091
Share of profit of associated companies	8,531
Financial income, net	31,779
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAXATION	155,401
Exceptional profit /loss	(12,302)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	143,099
Taxation	46,621
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	96,478
Minority interests in profit	18,626
Profit for the year	77,852

OGF/PFG GROUP

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 1995

(EXPRESSED IN THOUSANDS OF FRENCH FRANCS)

	June 30, 1995
SOURCE OF FUNDS FROM OPERATIONS	157,612
OTHER SOURCES:	
Disposals of fixed assets investments	1,437
Disposals of tangible and intangible fixed assets	31,690
Increase in long-term financial debt	1,445
Other, net	15,877
TOTAL SOURCES OF FUNDS	208,061
APPLICATION OF FUNDS :	
Acquisition of tangible fixed assets	72,681
Acquisition of intangible fixed assets	4,142
Acquisition of long term investments	13,611
Dividends paid	71,827
Dividends paid to minority interests	15,790
Decrease in long term financial debt	6,180
Other, net	19,190
TOTAL APPLICATIONS OF FUNDS	203,421
(DECREASE) INCREASE IN WORKING CAPITAL	4,640
ARISING FROM MOVEMENTS IN:	
Net liquid funds	(26,492)
Other current assets/liabilities	31,132

CONSOLIDATED FINANCIAL STATEMENTS

GIBRALTAR MAUSOLEUM CORPORATION
AND SUBSIDIARIES

YEAR ENDED SEPTEMBER 30, 1994
WITH REPORT OF INDEPENDENT AUDITORS

Gibraltar Mausoleum Corporation and Subsidiaries

Consolidated Financial Statements

Year Ended September 30, 1994

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Report of Independent Auditors

Board of Directors
Gibraltar Mausoleum Corporation

We have audited the accompanying consolidated balance sheet of Gibraltar Mausoleum Corporation and subsidiaries as of September 30, 1994, and the related consolidated statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gibraltar Mausoleum Corporation and subsidiaries at September 30, 1994, and the consolidated results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

December 22, 1994

Gibraltar Mausoleum Corporation and Subsidiaries

Consolidated Balance Sheet

September 30, 1994

ASSETS	
Cash	$ 1,494,385
Receivables (Notes 4 and 6):	
Installment contracts receivable for cemetery and funeral home property and merchandise, less unearned interest of $13,545,956	61,609,286
Commissions and management fees	1,907,627
Allowance for contract cancellations	(5,364,020)
	58,152,893
Construction billings receivable	1,512,554
Due from related parties	7,834,410
Other	2,052,566
	69,552,423
Inventories:	
Mausoleum spaces, cemetery lots and merchandise	12,035,595
Cost of mausoleums under construction	985,822
	13,021,417
Costs and estimated earnings of uncompleted mausoleum construction contracts in excess of related billings	1,564,726
Investments and other assets:	
Investment in undeveloped cemetery land	15,456,466
Funeral home trust acquisition costs, less accumulated amortization of $1,104,346	1,542,139
Funeral home trust accumulated income	3,165,053
Amounts from shareholders, officers and employees	90,985
Intangible and other assets, less accumulated amortization of $2,778,935	6,615,849
Refundable federal income taxes	1,040,439
Cost in excess of net assets acquired, less accumulated amortization of $1,185,191	6,486,360
	34,397,291
Property and equipment (Note 4):	
Land and buildings	14,376,596
Cemetery improvements	6,335,887
Equipment	11,556,026
Funeral home construction in progress	1,668,124
Accumulated depreciation	(11,517,573)
	22,419,060
	$ 142,449,302

LIABILITIES AND SHAREHOLDERS' EQUITY	
Note and accounts payable and accrued expenses:	
Payable to banks under revolving loan agreement (Note 4)	$ 17,200,000
Accounts payable	4,829,826
Accrued salaries, wages and commissions	2,740,192
Payroll taxes and amounts withheld from payroll	160,213
State and local taxes and interest	5,185,229
Deferred income on sales of preneed funeral services	6,184,608
Amounts due to shareholders, officers and employees	6,488,236
Minority interest	169,319
	42,957,623
Billings of uncompleted mausoleum construction contracts in excess of costs and estimated earnings	298,722
Estimated costs and deferred income for spaces sold in mausoleums for which construction has not been completed, less trust fund deposits of $3,547,741 (Note 7)	5,665,202
Deferred merchandise liability, less trust fund deposits of $40,354,220	5,045,898
Amounts payable to perpetual care funds	5,095,445
Deferred income taxes (Note 3)	13,918,912
Long-term debt (Note 4)	23,062,590
Shareholders' equity (Notes 4 and 6):	
Common Stock, par value $1 per share:	
Class A (voting)--authorized 1,250,000 shares; issued 79,325 shares	79,325
Class B (nonvoting)--authorized 3,750,000 shares; issued 223,815 shares	223,815
Retained earnings	46,101,770
	46,404,910
	$142,449,302

See accompanying notes.

Gibraltar Mausoleum Corporation and Subsidiaries

Consolidated Statement of Income
and Retained Earnings

Year Ended September 30, 1994

Income:	
Sales	$ 58,230,821
Commissions and management fees (Note 6)	2,842,568
Interest and dividends	12,233,567
Revenues from construction contracts (Note 6)	13,107,933
Other operating income	7,146,803
	93,561,692
Costs and expenses:	
Cost of sales	16,324,017
Selling	24,449,548
Cemetery operations and maintenance	9,640,285
Cost of construction contracts (Note 6)	12,638,898

Administrative and general	13,429,653
Interest	3,097,284
Amortization	1,248,649
Depreciation	2,228,569
	83,056,903
Income before income taxes	10,504,789
Income taxes (Note 3)	3,977,876
Net income	6,526,913
Retained earnings at beginning of year	43,850,791
Less retirement of Common Stock	4,275,934
Retained earnings at end of year	$ 46,101,770

See accompanying notes.

Gibraltar Mausoleum Corporation and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended September 30, 1994

OPERATING ACTIVITIES	
Net income	$ 6,526,913
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	3,477,218
Provision for contract cancellations	394,200
Deferred income taxes	(476,261)
Gain on sale of equipment	(392,122)
Changes in operating assets and liabilities net of effects of acquisitions:	
Receivables	(6,293,652)
Inventories and other assets	2,573,457
Accounts payable and accrued expenses	3,305,325
Refundable federal income taxes	(735,439)
Net cash provided by operating activities	8,379,639
INVESTING ACTIVITIES	
Purchase of property and equipment	(5,973,115)
Net cash paid for purchase of businesses	(2,902,213)
Proceeds from sale of property and equipment	3,077,151
Net cash used in investing activities	(5,798,177)
FINANCING ACTIVITIES	
Proceeds from shareholders, officers and employee advances	4,059,570
Net proceeds on revolving line of credit	2,100,000
Proceeds from long-term borrowings	238,711
Payments on long-term borrowings	(7,205,434)
Purchase of Common Stock	(1,877,428)
Net cash used in financing activities	(2,684,581)
Decrease in cash	(103,119)
Cash at beginning of year	1,597,504
Cash at end of year	$ 1,494,385

See accompanying notes.

Gibraltar Mausoleum Corporation and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 1994

1. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Gibraltar Mausoleum Corporation and Subsidiaries (Gibraltar) after elimination of intercompany accounts and transactions.

RECEIVABLES

Installment contracts receivable, arising primarily from the preneed sales of cemetery property and merchandise, are generally due in monthly installments over periods of one to six years. The contracts require a cash down payment and generally include simple interest, computed at rates ranging from 9 3/4% to 13 3/4% per annum, which is transferred to income principally on the sum-of-the-years-digits method. The allowance for contract cancellations is computed primarily on the basis of historical experience.

INVENTORIES, ESTIMATED COSTS AND DEFERRED INCOME ON MAUSOLEUM CONSTRUCTION

Inventories of mausoleum spaces, cemetery lots and merchandise are recorded principally at average cost which is not in excess of market.

Estimated costs and deferred construction income for spaces sold in mausoleums for which construction has not been completed are computed based upon costs incurred and to be incurred as estimated in the year of the first crypt sale and recorded as a liability. Unsold crypts are transferred to inventory at cost when construction is completed. Construction of mausoleums generally commences two to four years from the date of the first crypt sale.

CONSTRUCTION CONTRACTS

Income from mausoleum construction contracts is recorded on the percentage-of-completion method. Under this method, income is recognized as work on the contract progresses. The normal construction period for a mausoleum is 3-12 months.

Gibraltar Mausoleum Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTANGIBLE ASSETS

Intangible assets have arisen in connection with the acquisition of various companies. These assets are being amortized using the straight-line method over their estimated useful lives ranging from 5 to 13 years.

COST IN EXCESS OF NET ASSETS ACQUIRED

Cost in excess of net assets acquired is being amortized on a straight-line basis over a forty-year period.

PRENEED FUNERAL SALES

Sales of preneed funeral services and certain funeral merchandise and the receivables related thereto are not recorded until the service and merchandise are provided. State laws require that 70% to 100% of amounts received be deposited into trust funds for the purchase of the merchandise and services. The funds are withdrawn from the trust at the time the merchandise and services are provided and the sale is recognized.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation of buildings and equipment is provided on a straight-line basis over the expected useful lives of the respective assets.

DEFERRED MERCHANDISE LIABILITY

Cemetery merchandise and services may be sold on a preneed basis. At the time of sale and receipt of the down payment, the balance of the contract is recorded as a receivable and the selling price is recorded as a sale. The estimated cost of merchandise and services which have been sold but not delivered is charged to cost of sales and recorded as a liability. Certain states require the deposit of a portion of the cash received into an escrow fund. The funds are withdrawn at the time the merchandise is purchased or the services are performed. These deposits have been offset against the related liabilities, as they are restricted in usage to satisfaction of these liabilities.

Gibraltar Mausoleum Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AMOUNTS PAYABLE TO PERPETUAL CARE FUNDS

Amounts due to perpetual care funds are recorded on the accrual basis. Deposits are made periodically to the funds as collections are received on the installment contracts. The perpetual care funds are irrevocably set aside for the benefit of lot and crypt owners to insure the maintenance of each cemetery. The funds are invested by the respective trustees and investment advisors who periodically remit the income of the funds to each cemetery for its cost of operation and maintenance. The market value of such funds was $36,374,000 at September 30, 1994. Perpetual care trust funds are not included in the consolidated financial statements.

2. ACQUISITIONS

Gibraltar purchased (for cash and notes aggregating $5,600,000) the following operating cemeteries and funeral homes:

DATE	NAME	LOCATION	TYPE
August 29, 1994	Greenlawn Memory Gardens	N. Kingsville, OH	Cemetery
August 29, 1994	Knollwood Cemetery	Mayfield Heights, OH	Combinations
March 23, 1994	Palms Memorial Park	Sarasota, FL	Cemetery

In connection with the acquisitions, Gibraltar acquired assets with fair values aggregating approximately $8,575,000 and assumed liabilities of $2,975,000. All acquisitions have been accounted for using the purchase method of accounting. The results of operations for all acquisitions since the dates of acquisition have been included in the consolidated results of operations. The following represents the unaudited pro forma results of operations for the year ended September 30, 1994 as if the business combinations had occurred as of October 1, 1993:

Sales	$61,075,228
Net income	$ 6,503,616

The pro forma results do not purport to present the Company's actual operating results had the acquisitions been made at the beginning of 1994, or the results that may be expected in the future.

Gibraltar Mausoleum Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. INCOME TAXES

Gibraltar accounts for income taxes using the liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the deferred tax assets and liabilities as of September 30, 1994 are as follows:

Deferred tax assets:	
Preneed funeral services	$ 6,284,533
Contract cancellation reserve	1,541,865
Other	2,989,783
	10,816,181
Deferred tax liabilities:	
Deferred revenue	17,776,710
Undeveloped cemetery land	1,146,291
Depreciation	1,263,725
Other	4,548,367
	24,735,093

Net deferred tax liability	$13,918,912

3. INCOME TAXES (CONTINUED)

The following is a summary of the components of the provision for income taxes as of September 30, 1994:

Federal:	
Current	$3,807,176
Deferred	(476,261)
State	646,961
	$3,977,876

The following is a reconciliation of income tax computed at the U.S. statutory tax rate to income tax expense for the year ended September 30, 1994.

	AMOUNT	PERCENTAGE
Federal income tax at the statutory rate	$3,676,676	35.0%
Tax exempt interest and dividend exclusion	(368,996)	(3.5)
State taxes, net of effect of federal income taxes	420,524	4.0
Other, net	249,672	2.4
Income tax expense	$3,977,876	37.9%

Gibraltar made income tax payments in the amount of $6,112,438 in 1994.

4. DEBT ARRANGEMENTS

Under the terms of a revolving loan agreement with its major banks, Gibraltar may borrow up to $25,000,000 at a variable rate (6.75% at September 30, 1994). The maturity date of the revolving loan agreement is February 28, 1996. This revolving loan agreement has a 3/8% annual facility fee. The loan agreement contains, among other terms, various requirements which include the maintenance of the net worth of Gibraltar above stated minimums. The agreement is collateralized by a pledge of certain receivables, assignment of certain management agreements, several funeral homes, assignment of common stock of some subsidiaries and the assignment of life insurance carried on the lives of two officers. Borrowings under the revolving loan total $17,200,000 at September 30, 1994.

4. DEBT ARRANGEMENTS (CONTINUED)

Long-term debt of Gibraltar and its subsidiaries as of September 30, 1994 is summarized as follows:

Floating Rate Option Note Issue payable $769,000 semi-annually, plus interest and fees at variable rates (5.18% at September 30, 1994). This loan expires and the remaining principal is due January 5, 1996, but may be extended at the lender's discretion.	$17,692,000
7.5% notes payable to sellers incurred in the acquisition of cemeteries or funeral homes	2,983,139
Thirty other notes, with varying interest rates, payable over various terms, certain notes collateralized with common stock of subsidiaries and real and personal property.	2,387,451
	$23,062,590

Maturities on long-term debt for the five fiscal years subsequent to September 30, 1994 are: 1995, $2,162,548; 1996, $2,169,242; 1997, $2,153,101; 1998, $2,094,266, 1999, $2,088,624.

Interest paid during 1994 was $2,791,893.

5. PREARRANGED FUNERAL TRUSTS

The following summary reflects cumulative prearranged funeral and cremation services and merchandise sold but not fulfilled which are not included in the consolidated financial statements as of September 30, 1994.

Net services and merchandise sold but not fulfilled	$ 66,985,000
Less amounts not collected	21,177,000
Less amounts collected not required to be trusted	6,185,000
Trust fund amounts (at cost)	$ 39,623,000

Amounts trusted are invested primarily in debt securities, equity securities and limited partnerships. Such investments are subject to the risk that the current market value could fall below the net book value. At September 30, 1994, the aggregate market value of these investments was $39,364,000.

6. RELATED PARTY TRANSACTIONS

Gibraltar participates in management and sales agreements with several non-owned cemeteries for which certain officers of Gibraltar serve as officers and directors. As part of these agreements, Gibraltar maintains the financial records of these cemeteries and performs all administrative and sales duties. Gibraltar earned net management fee and commission income of approximately $1,495,000 in 1994, resulting from transactions with the non-owned cemeteries. Amounts receivable from these entities at September 30, 1994 totaled $3,378,000.

Gibraltar has made net cash advances to other businesses in which certain officers and directors of Gibraltar have ownership interests and affiliated real estate partnerships which are classified in other accounts and notes receivable. Amounts receivable for these advances were $6,335,000 at September 30, 1994. Gibraltar has also guaranteed the repayment of a $2,000,000 mortgage loan for one of these businesses. Amounts due directly to/from shareholders, officers and employees are classified separately in the balance sheet.

Gibraltar purchased and retired 4,000 shares of Class A common stock and 26,160 shares of Class B common stock for cash and notes totalling $4,306,094 during 1994.

6. RELATED PARTY TRANSACTIONS (CONTINUED)

Gibraltar constructs mausoleums and funeral homes for its owned and managed cemeteries as well as for several cemeteries owned by certain officers and directors of Gibraltar. In 1994, revenues from construction contracts with these cemeteries were $5,914,000, and cost of construction contracts includes costs associated with these contracts in the amount of $5,615,000.

7. COMMITMENTS

Gibraltar has accrued estimated costs for lawn crypts and crypts sold in mausoleums for which construction has not been completed. These estimated costs will be financed by existing receivables and collections from new sales contracts.

8. EMPLOYEES' PROFIT SHARING-SAVINGS PLANS

The Company maintains defined contribution profit sharing-savings plans for all full-time employees who are at least 21 years of age and have been employed for one or more years.

Participating employees may elect to redirect salary from 1% to 20% of the participant's eligible earnings before income taxes and contribute that amount to the Plans on behalf of the participant. The Company will make a matching contribution into the Plans in an amount equal to 40 percent of the first 2 percent and 25 percent of the next 2 percent of salary redirection. In addition, the Company may, by action of the Board of Directors, authorize profit sharing contributions to the Plans out of net profits. Gibraltar has recorded expense related to these plans amounting to $283,000 for 1994.

9. EVENT (UNAUDITED) SUBSEQUENT TO THE DATE OF THE INDEPENDENT AUDITOR'S REPORT.

On June 7, 1995 Service Corporation International entered into an agreement to purchase Gibraltar, subject to approval by various government and regulatory agencies.

Unaudited Consolidated Financial Statements

Gibraltar Mausoleum Corporation
and Subsidiaries

Six Months Ended March 31, 1995

GIBRALTAR MAUSOLEUM CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED MARCH 31, 1995

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GIBRALTAR MAUSOLEUM CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEET
March 31, 1995
(Thousands)

ASSETS	
Cash	$ 1,110

Receivables:	
Installments contracts receivable for cemetery and funeral home property and merchandise, less unearned interest and allowance for contract cancellations	59,458
Construction billings receivable	1,273
Other accounts and notes receivable	6,266
	66,997
Inventories:	
Mausoleum spaces, cemetery lots and merchandise	12,153
Cost of mausoleums under construction	2,565
	14,718
Costs and estimated earnings of uncompleted mausoleum construction contracts in excess of related billings	424
Investments and other assets:	
Investment in undeveloped cemetery land	15,396
Funeral home trust acquisition costs, less amoritization	1,171
Funeral home trust accumulated income	3,878
Intangible and other assets, less amortization	7,364
Costs in excess of net assets acquired, less accumulated amortization	9,900
	37,709
Property and equipment, less accumulated depreciation	22,367
	$143,325

LIABILITIES AND SHAREHOLDERS' EQUITY	
Note and accounts payable and accrued expenses:	
Payable to banks under revolving loan agreement	$ 15,700
Accounts payable and accrued liabilities	10,755
Deferred income on sales of preneed funeral services	6,935
Amounts due to shareholders, officers and employees	2,406
Minority interest	225
	36,021
Billings of uncompleted mausoleum construction contracts in excess of costs and estimated earnings	-
Estimated costs and deferred income for spaces sold in mausoleums for which construction has not been completed, less trust fund deposits	6,518
Deferred merchandise liability, less trust fund deposits	5,590
Amounts payable to perpetual care funds	5,640
Deferred income taxes	14,329
Long-term debt	26,220
Shareholders' equity	49,007
	$143,325

GIBRALTAR MAUSOLEUM CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF INCOME
For the Six Months Ended March 31, 1995
(Thousands)

Income:	
Sales	$29,723
Commissions and management fees	1,354
Interest and dividends	5,231
Net revenues from construction contracts	289
Other operating income	4,844
	41,441
Costs and expenses:	
Cost of sales	8,700
Selling	13,140
Cemetery operations and maintenance	4,797
Administrative and general	6,844
Interest	1,909
Depreciation and amortization	1,561
	36,951
Income before income taxes	4,490
Income taxes	1,876
Net income	$ 2,614

GIBRALTAR MAUSOLEUM CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six Months Ended March 31, 1995
(Thousands)

OPERATING ACTIVITIES	
Net income	$ 2,614
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	1,561
Provision for contract cancellations	463
Deferred income taxes	1,039
Gain on sale of equipment	(349)

Changes in operating assets and liabilities net of effects of acquisitions:	
Receivables	2,935
Inventories and other assets	(5,843)
Accounts payable and accrued expenses	602
Net cash provided by operating activities	3,022
INVESTING ACTIVITIES	
Net change in property and equipment	(954)
Net cash used in investing activities	(954)
FINANCING ACTIVITIES	
Payments to shareholders, officers and employee advances	(731)
Net payments on revolving line of credit	(1,500)
Proceeds from long-term borrowings	991
Payments on long-term borrowings	(1,200)
Purchase of Common Stock	(12)
Net cash used in financing activities	(2,452)
(Decrease) in cash	(384)
Cash at beginning of period	1,494
Cash at end of period	$ 1,110

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

September 5, 1995

SERVICE CORPORATION INTERNATIONAL

/s/ George R. Champagne

George R. Champagne
Senior Vice President
Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

EXHIBIT DESCRIPTION

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2.1	- Memorandum of Understanding Relating to the Transfer of Shares, dated July 10, 1995, and Additional Memorandum of Understanding Relating to the Transfer of Shares, dated July 12, 1995, each of which is between Service Corporation International and Lyonnaise des Eaux.
23.1	- Consent of Barbier Frinault & Associes, Membres d'Arthur Andersen & Co, SC and PGA.
23.2	- Consent of Ernst & Young LLP.

1

EXHIBIT 2.1

Translation
Original in French

July 10, 1995

MEMORANDUM OF UNDERSTANDING

RELATING TO

THE TRANSFER OF SHARES

BETWEEN

LYONNAISE DES EAUX

AND

____

(Purchaser)

_______________, 1995

2

MEMORANDUM OF UNDERSTANDING

RELATING TO

THE TRANSFER OF SHARES

BY AND BETWEEN THE UNDERSIGNED:

LYONNAISE DE EAUX S.A., a societe anonyme [share corporation] with a registered capital of FRF 3,407,276,100, having its registered office at 72, avenue de la Liberte, 92000 Nanterre, registered in the Nanterre Commercial Registry under Number B 542 062 559, and represented by Mr. Philippe Brongniart,

hereinafter referred to as "LDE"),

Party of the first part

AND

SERVICE CORPORATION INTERNATIONAL, a Company registered under the Law of Texas, with a registered capital of $200,000,000, having its registered office at 1929 Allen Parkway, Houston, Texas 77019, PO Box 130548, or any affiliate it may substitute and represented by Mr. Robert L. Waltrip, the Chairman of the Board and Chief Executive Officer.

hereinafter referred to as "Purchaser"),

Party of the second part

RECITALS

Whereas, LDE holds 1,247,439 shares (hereinafter, the "Shares") representing approximately 51.23% of the capital of Omnium de Gestion et de Financement, a societe anonyme with a registered capital of 243,483,100 [French] francs, having its registered office at 66, boulevard Richard Lenoir, 75011 Paris, registered in the Paris Commercial Registry under Number 542 076 799 ("OGF") and whose shares are listed on the second market of the Paris Bourse;

Whereas, OGF holds 1,224,626 shares representing approximately 64.98% of the capital of Pompes Funebres Generales, a societe anonyme with a registered capital of 94,220,300 [French] francs, having its registered office at 66, boulevard Richard Lenoir, 75011 Paris,

registered in the Paris Commercial Registry under Number 542 065 792 ("PFG") and whose shares are listed on the over the counter market of the Paris Bourse;

Whereas, OGF and PFG hold certain assets and equity interests related to the operation of funeral services in France and abroad;

And Whereas, Purchaser has informed LDE that it is interested in acquiring the totality of the Shares, and the Parties have entered into this Memorandum of Understanding in order to determine their respective commitments regarding the sale and purchase of the Shares.

NOW, THEREFORE, IT HAS BEEN AGREED AS FOLLOWS:

ARTICLE 1 - COMMITMENTS

1.1 COMMITMENTS OF THE PURCHASER

The Purchaser undertakes to file a proposed tender offer for the totality of the equity securities in OGF ("OGF Tender Offer") according to Articles 5.2.1 and seq. of the General Regulations of the Conseil des Bourses de Valeurs (CBV), subject to the fulfillment of the conditions set forth in Article 2 below.

The Purchaser reserves, in application of Article 5.2.5 of the General Regulations of the CBV, the right to withdraw its offer in the case where the number of the OGF securities tendered in response to said offer represents less than 66.67% of the voting rights of OGF.

The opening and the implementation of the OGF Tender Offer is subordinated to the fulfillment of the conditions precedent set forth in Article 2 below.

Purchaser shall be fully responsible for the statutory and regulatory obligations resulting for Purchaser from this tender offer, pursuant, inter alia, to the General Rules of the Conseil des Bourses de Valeurs [Securities Exchange Board, a self-regulatory organization overseeing French Bourses]. Purchaser here and now agrees to fully satisfy such obligations and in particular to file a tender offer on PFG's shares.

1.2 COMMITMENTS OF LDE

LDE undertakes irrevocably and unconditionally, to tender the totality of the equity securities of OGF which it holds (the "Shares") to the OGF Tender Offer filed by the Purchaser and such, in the case where one or several competing tender offer have been declared acceptable by the CBV as long as the Purchaser shall make a higher bid than such competing offers.

LDE undertakes to provide to the Purchaser all necessary assistance with relevant administrative authorities for the implementation of the entire transaction and to assist Purchaser in securing the tender of a many shares of OGF and PFG so that the Purchaser may, to the maximum extent possible, acquire more than 95 percent of the voting rights thereof.

LDE undertakes that its representatives at the Board of Directors of OGF shall issue a favorable recommendation on the OGF Tender Offer initiated by the Purchaser and LDE will make its best efforts that the other members issue a similar recommendation;

LDE undertakes that the representatives of OGF at the Board of Directors of PFG shall issue a favorable recommendation on the PFG Tender Offer initiated by the Purchaser and will make its best effort that the other members issue a similar recommendation. LDE undertakes that OGF shall not tender the PGF securities that it holds, to the OGF Tender Offer.

LDE undertakes to obtain from one or several PFG shareholders other than OGF, that they tender a number of PFG shares to the public offer initiated by the Purchaser in application of Article 5-3-7 of the General Rules of the CBV in order that the Purchaser holds at least 66.67% of the voting rights of PFG.

LDE undertakes that the Purchaser will have the ability to meet with the management of the Companies when this agreement will be disclosed to the public.

LDE undertakes that the Purchaser shall have the ability to make site visits to different operational locations that the Purchaser will choose in consultation with LDE.

LDE will ensure to that the auditors of OGF and PFG agree to co-operate with the Purchaser and its auditors as soon as possible on the preparation of financial statements required by the Purchaser to be filed with the Security Exchange Commission.

1.3 PRICE

The price offered will be 950 French francs per OGF share.

1.4 PRIOR TRANSFER OF SHAREHOLDINGS HELD BY OGF IN THE COMPANIES OF THE LDE GROUP.

The parties agree, at the latest, on the settlement date for the delivery of the securities tendered to the OGF Public Offer (hereinafter the "Transfer Date"), that the Shareholdings held by OGF in companies directly or indirectly controlled by LDE as indicated in Appendix 1.4, will be transferred to LDE or any other company that will be substituted for LDE, at a price equal to their net accounting value as set forth in OGF's financial statements for the 1994 fiscal year, as indicated in Appendix 1.4 and with respect to the 9,090 Metropole Television (M6) shares held by OGF at a price equal to the average first trading price of the M6 shares during the previous 30 trading days (and including) the Transfer Date.

ARTICLE 2 - CONTRIBUTION OF SUPPLEMENTAL SHARES AND CONDITIONS PRECEDENT

The opening and the execution of the OGF Tender Offer are subject to the following conditions precedent being fulfilled on or before November 15, 1995:

(i) approval decision from the Insurance Department of the Ministry of Economic Affairs and Finance regarding the indirect change of control of Groupe Auxia, a societe anonyme governed by the Insurance Code and having its registered office at 18, allee Darius Milhaud, 75019 Paris; and

(ii) explicit or tacit approval of the contemplated transfer from the Treasury Department of the Ministry of Economic Affairs and Finance under direct foreign investments in France.

(iii) the approval of the OGF Tender Offer filed by the Purchaser on the terms and conditions mentioned on this agreement from the Conseil des Bourses de Valeurs (CBV).

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES BY LDE

LDE hereby represents and warrants that at the date hereof:

3.1 EXISTENCE, LEGAL CAPACITY, POWER

OGF and PFG (hereinafter [collectively] referred to as the "COMPANIES") as well as their main subsidiaries listed in Appendix B hereto (the "MAIN SUBSIDIARIES") are duly organized and existing under the laws and regulations applicable to them and are in good standing in regard to such laws and regulations.

The Companies and Main Subsidiaries possess all necessary powers and the full requisite legal capacity to conduct their activities in the manner in which they are currently conducted.

The Companies and Subsidiaries, other than those stated in Appendix B, are not parties to any shareholders agreement, voting rights agreement, joint venture agreement or any agreement with competitors in order to affect the competition.

3.2 CAPITAL STRUCTURE

The shares of the Companies and of the Main Subsidiaries were validly issued and are fully paid-up, freely transferable, and free of any security interests, prior claims, pledges, escrow agreements, charges, options, liens, or other rights in favor of third parties, whether written or oral.

Apart from 42,363 certificates of deposit and certificates of voting rights issued by OGF and currently valid, the Companies and Main Subsidiaries have neither issued nor put into circulation any shares, ordinary bonds, bonds convertible into or redeemable by shares or other securities of the Companies and Subsidiaries.

Except for the stock option plans described in Appendix 3.2, the Companies or Main Subsidiaries have not granted any option or other title confering the right to subscribe for, purchase, or acquire any shares, ordinary bonds, convertible bonds, or bonds capable of being redeemed in, or exchanged for, shares or other securities of the Companies or Main Subsidiaries.

3.3 TRANSFER OF THE SHARES

The Shares represent approximately 51.23% of the capital of OGF and 59.98% of the voting rights therein. LDE owns the Shares and has the right to transfer them without any restriction whatsoever and possesses full power and authority to execute and perform this Memorandum of Understanding and all other deeds and instruments relating hereto.

For the Purchaser, the transfer of the Shares to Purchaser shall not entail any other responsibilities or obligations to the other shareholders of OGF or to the shareholders of PFG than those resulting from application of the stock exchange regulations in force as of the Transfer Date.

3.4 FINANCIAL STATEMENTS

The consolidated income statements and balance sheets and accounts (and notes thereto) of the Companies and Main Subsidiaries for the fiscal years ended December 31, 1992, 1993, and 1994 (hereinafter collectively referred to as the "FINANCIAL STATEMENTS") have been published and certified by the statutory auditors of each of the Companies and Main Subsidiaries concerned.

LDE represents that The Financial Statements for 1994 are complete and accurate, and faithfully reflect the financial position of the Companies and the Main Subsidiaries. The same rules and accounting methods have been applied during the above-mentioned three fiscal years with the exception of the modification provided in Appendix 3.4.

The operating results at the date of April 30, 1995 is profitable.

The Companies and Subsidiaries have made no off balance sheet commitments not included in the notes to the accounts described in this Article or in Appendix 3.4bis.

On June 30, 1995 OGF had at its disposal a net cash position as defined in Appendix 3.4ter of an amount in excess of FF 780 million.

The need of the consolidated net working capital as defined in Appendix 3.4 quater, on June 1995, will not have varied since December 31, 1994 as a result of actions the sole purpose of which would have been to artifically increase the cash position.

3.5 NO MAJOR CHANGES

Between December 31, 1994 and the Date of this agreement, the Companies and Main Subsidiaries have been managed under normal conditions and, consistent with their practices during the last three fiscal years, and, specifically have not undertaken any disposition or acquisition of any significant tangible or intangible assets for an amount in excess of FF2 million except as stated in Appendix 3.5, have not accorded any salary increases and have not taken any measures beyond the normal course of the companies' business as conducted during the said fiscal years. Furthermore, the Companies and the Main Subsidiaries shall not have decided to distribute and have not distributed dividends for 1994 and 1995 fiscal years other than those shown in Appendix 3.5bis.

3.6 TAXES AND SOCIAL SECURITY CHARGES

Subject to the exceptions stated in the Financial Statements and subject to the Tax and Social Security reassessments which the Companies and Main Subsidiaries have been the subject of since January 1, 1992 as described in Appendix 3.6:

(i) the Companies and Main Subsidiaries have filed all requisite tax returns and customs declarations with the proper government authorities in the prescribed form and in a timely manner, and have filed all declarations and schedules required by the social security bodies; and certify the exactitude of their contents and in full accordance with the legislation and regulations in force;

(ii) the Companies and Main Subsidiaries have paid, in a timely manner, all taxes, levies, and contributions owed by them, or have booked appropriate provisions in that respect according to rules of prudence and pursuant to custom;

3.7 INSOLVENCY

None of the Companies or Main Subsidiaries has suspended payments or entered into a scheme of conciliation with its creditors, nor is any of them in judicial reorganization, or liquidation, or is threatened with becoming the object of such proceedings.

3.8 ASSETS

The Companies and Main Subsidiaries have good title to all of the assets shown in their accounts. Each asset of which the amount is in excess of FF1 million, is not encumbered by any pledge, guarantee, security or other charge except for the financing for the acquisition of certain assets as stated in Appendix 3.8.

3.8.1 REAL ESTATE ASSETS

The Real Estate Operating Assets, as listed in Appendix 3.8.1, and the other properties directly or indirectly owned by the Companies and Main Subsidiaries, or which they are entitled to acquire (pursuant to leasing agreements or undertakings to sell) or are under an obligation to acquire (pursuant to undertakings to purchase), as listed in Appendix 3.8.1 bis, (i) are suitable for the uses for which they are intended, and (ii) are not the subject of, nor threatened with being the subject of, any expropriation proceeding or any zoning plan that could in any way restrict their use except as stated in Appendix 3.8.1ter.

3.8.2 TRADEMARKS AND OTHER INDUSTRIAL PROPERTY RIGHTS

The Companies and Main Subsidiaries own, or are duly licensed to use exclusively all of the main trademarks, designs, patents, manufacturing processes and any other property rights used by them, as listed in Appendix 3.8.2.

All of the trademarks and other industrial property rights held by the Companies and the Main Subsidiaries are now, and at the Transfer Date shall be, duly protected according to the regulations in force. Neither the Companies nor the Main Subsidiaries are susceptible to infringe any third-party industrial or intellectual property rights.

3.9 LITIGATION

Save as stated in Appendix 3.9, no judicial, administrative, or arbitration proceedings, claim, investigation, or any injunction, in which the amount claimed in any one proceeding exceeds two hundred thousand (200,000) [French] francs have been initiated against the Companies or Main Subsidiaries, and no such proceedings are threatened inter alia on the basis of similar facts for which proceedings are pending, against the Companies or Main Subsidiaries.

3.10 COMPLIANCE WITH REGULATIONS AND CONTRACTS

The Companies and Main Subsidiaries: can validly engage in and pursue their business activities, without restriction;

They comply, with all laws and regulations applicable to their business activities and specifically in environmental matters; and hold all licenses, permits, and authorizations required for the conduct of their business activities except as stated in Appendix 3.10.

Such licenses, permits, and authorizations are in full force and effect and no proceedings to revoke or restrict any of them are pending or threatened.

The Companies and Main Subsidiaries have carried out all publicity, declarations, registrations, filings, and other formalities required under the applicable regulations for the conduct and continuation of their activities.

No main agreement concluded by the Companies or the Main Subsidiaries may be fully terminated for reason of a change in control of the Companies or the Main Subsidiaries.

LDE represents that there are no contracts or agreements directly or indirectly binding LDE to the Companies or Main Subsidiaries, except as stated in Appendix 3.10.3. Such agreements or contracts shall be terminated without any compensation or maintained in force under the same terms and conditions except for the agreements stated in Appendix 3.10-2 which could be fully terminated at the Transfer Date, both at the exclusive request of the Purchaser, the Companies or Main Subsidiaries. Furthermore, any receivables or other obligations owed by LDE or any company within the LDE group are repayable on demand from the Companies or the Main Subsidiaries.

3.11 WAGES AND SALARIES

The Companies and the Main Subsidiaries have not entered into any contract with any of their employees and/or legal representatives which, in the event of termination, provides for a longer notice period or for greater compensation [severance pay] than the notice period or compensation [severance pay] provided for by law or by the applicable collective bargaining agreements, save as stated in Appendix 3.11.

LDE undertakes to bear all the compensation which would be paid by the Companies should the current OGF Chairman leave OGF.

3.12 LOANS AND GUARANTEES

Neither the Companies nor their Main Subsidiaries have granted any loan, advance, suretyship, endorsement, or guarantee, in any form whatsoever, to any director, officer, employee, or shareholder of the Companies or Main Subsidiaries except as stated in Appendix 3.12.

3.13 INSURANCE

Each of the Companies and Main Subsidiaries is adequately insured for all its property and operations. The insurance policies taken out are consistent with those usually taken out in the relevant business sector.

Since January 1, 1992, no premium has been increased because of any loss sustained by each of the Companies or Subsidiaries in respect of their activities.

3.14 MANAGEMENT UNTIL THE TRANSFER DATE

Until the date of publication of the notice issued by the Societe des Bourses Francaises announcing the result of the OGF Tender Offer (the "Transfer Date"), LDE agrees that the Companies and Main Subsidiaries shall be managed with due care and diligence and in the normal course of business and that the Companies and Main Subsidiaries shall not make any investment or disinvestment out of the normal course of business and for an amount in excess of FF2 million.

LDE undertakes that the OGF management do their best efforts for filing in due time with the State Representative accreditation's applications required by Law number 93-23 of January 8, 1993 relating to the operations of external funeral services and its Decrees with the relevant authorities.

LDE declares that the Companies meet all the necessary criterion as are required by Law to obtain the proper accreditations.

ARTICLE 4 - IMPLEMENTATION

4.1 INDEMNIFICATION

A. In addition to the commitment stated in Article 3.11, LDE agrees to indemnify Purchaser, according to the terms hereinafter defined, for any loss sustained by Purchaser as a result of, for each of the Companies and/or the Main Subsidiaries, (i) any supplementary liabilities or any deficiency of assets having an origin or cause prior to December 31, 1994 that should be triggered by a third party claim and (ii) any inaccuracy in any of the representations and warranties made under Article 3 hereof, such representations and warranties being considered as extended until the Transfer Date.

B. The following provisions shall be taken into account in determining the amount of any compensation payable by LDE:

(a) The amount of the sums due shall be based on the liabilities actually remaining for the account of the Companies after taking into consideration the actual decrease of taxes on the Companies due for the current fiscal year for which the supplementary liabilities or insufficiency of assets will have been accounted for.

Any tax adjustments of whatever nature which translate into a mere time-lag in assessment (or which result in a mere transfer of profit from one fiscal year to another) are excluded from the scope of this Contract insofar as they do not translate into a definitive charge in principal, only the penalties, or late-payment interest would result in indemnification.

(b) The indemnification shall be reduced by any amount of the reserves shown on the Financial Statement for 1994 other than the reserves for contengencies shown under the Headings "aleas divers" (in the amount of FF 47,061,000), which shall have become without any object. The amount of the reduction related to the reserves shown under the headings "Provisions pour impots et cotisations latents" (in the amount of FF 4,592,000) shall be determined by taking into account the amount of percentage of OGF's capital transferred by LDE.

(c) The indemnification of the Purchaser shall be entire irrespective of the percentage of OGF's capital transferred by LDE and the percentage of PFG's capital held by OGF as of the Transfer Date except for the tax reassessments for which the indemnification shall be determined by taking into account the percentage of the OGF's capital transferred by LDE.

C. LDE's indemnification obligation shall be limited to FF100,000,000 and shall become effective only if the cumulated amount of the sums, computed as provided hereinabove, exceeds 60 million francs and for the portion of the amount in excess of the latter sum; provided further, only those claims which individually give rise to a right to indemnification in excess of FF100,000 shall be taken into account.

D. As soon as Purchaser becomes aware of the existence of any event or claim capable of bringing this warranty into play, Purchaser shall inform LDE thereof, by registered letter with return receipt requested sent to LDE or to such person as LDE may designate for such purpose, so that LDE may take action to defend its interests; generally, Purchaser shall forward as soon as possible all correspondence and documents relating to such claims to LDE and inform it of all telephone conservations or communications, and, more generally, do whatever is required to place LDE in a position to usefully defend its interests.

E. More specifically, should Purchaser receive notice of a tax or social security audit, Purchaser shall inform LDE thereof, by registered letter with return receipt requested, within 15 days of receipt of the notice, and shall obtain LDE's opinion and/or arguments prior to any communication with the administrative authority. In such case, LDE shall be entitled to be assisted, at its own expense, by such adviser as it may select, in order to follow the proceedings in progress.

F. Generally, Purchaser - acting in its own name and on behalf of the companies and the Main Subsidiaries, in respect of whose actions Purchaser gives its personal guarantee - agrees not to compromise, settle, or submit to arbitration, any matters capable of involving LDE's liability under this warranty, without having obtained LDE's liability under this warranty, without having obtained LDE's prior consent; similarly, Purchaser agrees to initiate or defend, or cause those Companies and Main Subsidiaries concerned to initiate or defend, all judicial or administrative proceedings, and to continue such proceedings to their end if LDE so requires, and even without being so required, in the event of emergency, in order to avoid being barred or

pre-empted, so as to reserve at all times LDE's rights and limit LDE's exposure to liability, including indirect liability.

In exercising the rights expressly conferred on it under this paragraph, LDE shall take the corporate interests of the Companies and the Main Subsidiaries into account. In the event of any disagreement as to the pursuit of proceedings, LDE shall advance such sums to the Companies and Main Subsidiaries as are required by the latter to continue the said judicial or administrative proceedings.

G. In the event that Purchaser breaches the obligations set forth in paragraphs D, E, and F hereinabove, this warranty shall ipso facto become invalid as far as the claim or litigation capable of being covered by this warranty is concerned. This invalidity shall not be against the Purchaser unless LDE establishes that the failure of the above-mentioned obligations by the Purchaser have caused it prejudiced LDE interests damage.

4.2 PERIOD

Calls under this warranty may be made:

- for amounts payable in respect of tax, customs, or social security liabilities: for a period that will end six months after expiration of the tax, customs, and social security limitation periods;

- for the payment of all other amounts that may prove owing: until December 31, 1996.

Any claims received after expiration of the above time periods shall be ineffectual.

4.3 ASSIGNMENT

The rights and obligations provided for herein cannot be assigned, delegated, or transferred, in any way whatsoever, by either Party to a third party without the express prior written consent of the other Party.

ARTICLE 5 - MISCELLANEOUS

5.1 NOTICES

All notices, claims, demands, and other communications under or in connection with this Agreement shall be sent by registered letter with return receipt requested, or by facsimile or telex confirmed by registered letter with return receipt requested, to the following addresses:

If to Purchaser:
Attention:
JP MORGAN & Cie
Directeur du Departement Juridique
21 Place du Marche St Honore
75001 Paris

If to LDE:

Attention: __________________
Lyonnaise des Eaux
72, avenue de la Liberte
92000 Nanterre

The date of the receipt of the notice or communication shall be the date of receipt of the registered letter with return receipt requested.

5.2 APPENDICES AND RECITALS

All of the Appendices and Recitals are an integral part of this Agreement, with which they form a single and indivisible whole.

5.3 SEVERABILITY

Should any court or authority of any branch declare any provision of this Agreement to be illegal, void, or unenforceable, such provision shall be ineffective before the said court of authority but shall not affect the remaining clauses [hereof] or the legality or enforceability [of this Agreement].

5.4 ENTIRE AGREEMENT

This Agreement constitutes the entire and sole agreement of the Parties as to the subject-matter hereof. Consequently, it supersedes all prior contracts, agreements, exchanges of letters, or verbal agreements, if any, between the Parties relating to the same subject-matter. No amendment or modificiation to this Agreement shall be valid unless in writing and signed by [both] Parties.

5.5 GOVERNING LAW - DISPUTES

This Agreement shall be governed by and construed in accordance with French law.

All disputes arising from the validity, interpretation, performance, and/or non-performance of this Agreement shall be submitted to the exclusive jurisdiction of the Paris Commercial Court.

Executed at _______________,

this _____________ day of _______________, 19___,

in _____________ counterparts.

LDE	Purchaser
_____________________	______________________

APPENDICES
TO THE MEMORANDUM OF UNDERSTANDING
RELATING TO THE TRANSFER OF SHARES

Appendix 0	Powers of attorney of Mr. Philippe Brongniart and Mr. Robert L. Waltrip for signature of the Memorandum of Understanding relating to the Transfer of shares
Appendix 1.4	List and net accounting values as set forth in OGF's financial statements for the 1994 fiscal year of the shareholdings held by OGF to be transferred to LDE prior to the Transfer Date.
Appendix A	List of OGF's subsidiaries and consolidated and non-consolidated shareholdings, including: - List of consolidated companies - List of non-consolidated shareholdings - List of companies consolidated by equivalence - List of subsidiaries and shareholdings
Appendix B	List of Main Subsidiaries of the OGF/PFG Group.
Appendix 3.1	List of Shareholders Agreements, Voting Rights Agreements, Joint Venture Agreements or any Agreements with Competitors limiting their activities, concluded by the Companies and the Main Subsidiaries.
Appendix 3.2	Stock Option plans for OGF and PFG shares of the Companies and Main Subsidiaries.

Appendix 3.4	Changes in the Accounting Methods of the Companies intervening during the 1992, 1993 and 1994 fiscal years.
Appendix 3.4 bis	Off balance sheet commitments not included in the appendix of the Financial Statements.
Appendix 3.4 ter	Definition of a consolidated net cash position.
Appendix 3.4 quater	Definition of the need of the net working capital
Appendix 3.5 Main	List of investments for an individual amount greater than 2 million French Francs carried out by the Companies and Subsidiaries during the first semester of 1995 and the measures beyond the normal course of the Companies and Main Subsidiaries business.

Appendix 3.5 bis	Dividends for which distribution has been decided or which have been distributed during the 1994 fiscal year to the benefit of persons other than the Companies or Main Subsidiaries.
Appendix 3.6	Exceptions to the compliance with tax declarations payments and social security declarations, including a recapitulative note related to tax controls dated June 8, 1995 and a recapitulative note (included in Appendix 1) related to social security (URSSAF) reassessments, dated January 2, 1995.
Appendix 3.8.1	List of real estate operating assets owned by the Companies or Main Subsidiaries.
Appendix 3.8.1 bis	Follow-up of Real Estate purchases.
Appendix 3.8.1. ter	Limitations to the use of real estate operating assets by the Companies and Main Subsidiaries.

Appendix 3.8.2	List of the main trademarks, designs, patents and manufacturing processes used by the Companies and the Main Subsidiaries.
Appendix 3.9	Judicial, administrative or arbitration proceedings, claims, investigations in which the amount claimed is greater than 200,000 French Francs. - Claims before the Labor Court (Conseil des Prud'hommes) in which the risk incurred is greater than 200,000 French Francs. - Summarized presentation of CGSM operation. - SFEC - OGF deal. - Competition claims for which the risk is greater than 200,000 French Francs - DEMEMORIS - LESCARCELLE deal - Note dated June 12, 1995 and table dated December 19, 1994 on the procedure in progress before the Competition Council and concerning the Companies of the PFG group. - Tax proceedings, claims and investigations (see Appendix 3.6).
Appendix 3.10	Specific information on the compliance by Companies and Main Subsidiaries of applicable laws and regulations (see Appendix 3.9).
Appendix 3.11	List of contracts for an employee and/or legal representative which provides for a longer notice period and for greater compensation [severance pay] in the event of termination than that provided for by law or by the applicable bargaining agreement.

Including, Amendments dated October 25, 1994 to the employment contracts of:

Mr. Thierry Hernandez (Financial Director)
Mr. Bruno Grison (International Director)
Mr. Jean-Michel Debono (OGF General Manager)
Mr. Louis-Charles Galle (General Secretary)
Mr. Claude Hosten (Director of Human Resources)
Mr. Michel Penon (General Director of Auxia)
Mr. Maxime Dubois-Violette (General Director of Logistics)
Mr. Bernard Bouleau (President and General Director of PF South East)

Appendix 3.12 — List of Loans, advances, suretyships, endorsements or guarantees granted by the Companies or Main Subsidiaries to directors, officers, employees or shareholders of the Companies or Main Subsidiaries.

Translation
Original in French

ADDITIONAL MEMORANDUM OF UNDERSTANDING

RELATING TO THE TRANSFER OF SHARES

BETWEEN

LYONNAISE DES EAUX

AND

SERVICE CORPORATION INTERNATIONAL

(Purchaser)

July 12, 1995

ADDITIONAL MEMORANDUM OF UNDERSTANDING

RELATING TO THE TRANSFER OF SHARES

BY AND BETWEEN THE UNDERSIGNED:

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hereinafter referred to as "LDE").

Party of the first part

AND

SERVICE CORPORATION INTERNATIONAL, a Company registered under the Law of Texas, with a registered capital of $200,000,000, having its registered office at 1929 Allen Parkway, Houston, Texas 77019, PO Box 130548, or any affiliate it may substitute and represented by Mr. Robert T. Waltrip, the Chairman of the Board and Chief Executive Officer, duly authorized.

hereinafter referred to as "PURCHASER"),

Party of the second part

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Whereas, OGF and PFG hold certain assets and equity interests related to the operation of funeral services in France and abroad;

And Whereas, Purchaser has informed LDE that it is interested in acquiring the totality of the Shares, and the Parties have entered into a Memorandum of Understanding dated on July 10, 1995 (the "Agreement") in order to determine their respective commitments regarding the sale and purchase of the Shares.

Since July 10, 1995, the Parties have met together and the Purchaser has informed LDS that it is interested in acquiring the block of control representing all the Shares (hereinafter "OGF Block of Control") as soon as the Purchaser will have obtained the authorizations mentioned in article 2 below, and in any event, at the time of the opening of the simplified tender offer implemented by the price guarantee procedure [garantie de cours] on the OGF equity-securities initiated by the Purchaser (hereinafter "OGF Tender Offer").

The Agreement is supplemented and/or modified by the following provisions, the other provisions of the Agreement remaining valid.

NOW, THEREFORE, IT HAS BEEN AGREED AS FOLLOWS:

ARTICLE 1 - COMMITMENTS

1.1 COMMITMENTS OF THE PURCHASER

The Purchaser undertakes to acquire from LDE, the OGF Block of Control subject to the fulfilment of the conditions set forth in Article 2 below.

Purchaser shall be fully responsible for the statutory and regulatory obligations resulting for Purchaser from this acquisition of the OGF Block of Control, pursuant, inter alia, to the General Rules of the Conseil des Bourses de Valeurs [Securities Exchange Board, a self-regulatory organization overseeing French Bourses]. Purchaser here and now agrees to fully satisfy such obligations and in particular to file a proposed simplified tender offer implemented by the price guarantee procedure on OGF's shares in deleting the withdrawal condition of obtaining more than two-thirds of the voting rights of OGF provided in the Agreement, and on PFG's shares.

1.2 COMMITMENTS OF LDE

LDE undertakes to sell to the Purchaser the OGF Block of Control subject to the fulfilment of the conditions set forth in Article 2 below.

LDE undertakes that a Board of Directors of OGF and PFG will be convened in order that such meetings may take place immediately following the trading of the Block of Control

which is to be completed on the Transfer Date as defined in Article 1.4 below, and the respective agendas of both meetings of the Board of Directors of OGF and PFG will provide on one hand, of the resignation of the following OGF Directors (Mr. Philippe Brongniart, Claude Gaudin, Claude-Pierre Brossolette, Bernard Prades in the official capacity of representing LDE and Mr. Claude Vincent in the official capacity of representing SSIMI) and on the other hand, of the resignation of the following PFG Directors (Mr. Philippe Brongniart, Claude Gaudin, Bernard Prades and Jean-Michel Debono), and the adoptation of five (5) Directors proposed by the Purchaser for OGF and four (4) Directors proposed by the Purchaser for PFG.

1.3 PRICE

The Price at which the OGF Block of Control will be sold from LDE to the Purchaser will be 950 French francs per OGF share.

The buying order and the selling order shall be placed by the same Stockbroker firm chosen conjointly in order that the delivery of the shares occurs outside of the RELIT System.

The above mentioned amount shall be payed in full in exchange for the delivery of the shares immediately after its trading.

Each of the parties shall bear the respective cost for the sale and purchase of the OGF Block of Control.

1.4 TRANSFER DATE

The Transfer of the OGF Block of Control shall take place at the date determined by the Societe des Bourses Francaises (SBF) after obtaining the authorizations mentioned in Article 2 below (hereinafter the "Transfer Date"). The Transfer Date as determined in this agreement nullifies and or substitutes the one defined in Article 1.4 of the Agreement.

ARTICLE 2 - CONDITIONS PRECEDENT

The Transfer of the OGF Block of Control is subject to the following conditions precedent being fulfilled on or before November 15, 1995:

(i) approval decision from the Insurance Department of the Ministry of Economic Affairs and Finance regarding the indirect change of control of Groupe Auxia, a societe anonyme governed by the Issurance Code and having its registered office at 18, allee Darius Milbaud, 75019 Paris; and

(ii) explicit or tacit approval of the contemplated transfer from the Treasury Department of the Ministry of Economic Affairs and Finance under direct foreign investments in France.

ARTICLE 3 -- MISCELLANEOUS

3.1 NOTICES

All notices, claims, demands, and other communications under or in connection with this Agreement shall be sent by registered letter with return receipt requested, or by facsimile or telex confirmed by registered letter with return receipt requested, to the following addresses:

If to Purchaser:
Attention:
JP MORGAN & Cie
Directeur du Departement Juridique
21 Place du Marche St Honore
75001 Paris

If to LDE:

Attention: Monsieur le Secretaire General
Lyonnaise des Eaux
72, avenue de la Liberte
92000 Nanterre

The date of receipt of the notice or communication shall be the date of receipt of the registered letter with return receipt requested.

3.2 RECITALS

The Recitals are an integral part of this Agreement, with which they form a single and indivisible whole.

3.3 SEVERABILITY

Should any court or authority of any branch declare any provision of this Agreement to be illegal, void, or unenforceable, such provision shall be ineffective before the said court of authority but shall not affect the remaining clauses [hereof] or the legality or enforceability [of this Agreement].

3.4 GOVERNING LAW - DISPUTES

This Agreement shall be governed by and construed in accordance with French law.

All disputes arising from the validity, interpretation, performance, and/or non-performance of this Agreement shall be submitted to the exclusive jurisdiction of the Paris Commericial Court.

Executed at Paris,

this 12th day of July, 1995,

in two counterparts.

LDE	Purchaser
____________________	____________________

EXHIBIT 23.1

BARBIER FRINAULT & ASSOCIES
Membre d'Arthur Andersen & Co, SC
Tour Gan - Cedex 13
92082 Paris-La Defense 2

PGA
Tour Franklin
101, Terrasse Boieldieu - Cedex 11
92082 Paris-La Defense 8

As independant accountants, we hereby consent to the incorporation by reference in the registration statement of Service Corporation International, on Form S-3 (File Nos 33-60683, 33-56069), Form S-4 (File No 33-54996), Form S-8 (File Nos 33-9790, 33-17982, 33-54401, 33-50987) of our report dated April 6, 1995, on our audits of the consolidated financial statemnts of Omnium de Gestion et de Financement S.A. as of December 31, 1994 and 1993, and for the two years then ended, which report is included in Form 8-K dated September 1, 1995. We also consent to the reference to our firm under the caption "Experts".

Paris-La Defense, France,
September 1, 1995

/s/ CHRISTIAN CHOCHON
- ----------------------------
BARBIER FRINAULT & ASSOCIES
Christian Chochon

/s/ BRUNO BIZET

PGA
Bruno Bizet

EXHIBIT 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in Registration Statement No. 33-60683, filed June 28, 1995, on Form S-3 of Service Corporation International and in the related Prospectus and to the incorporation by reference therein of our report dated December 22, 1994, with respect to the consolidated financial statements of Gibraltar Mausoleum Corporation and subsidiaries for the year ended September 30, 1994 included in this Form 8-K.

We also consent to the incorporation by reference in the following Registration Statements of Service Corporation International: No. 33-56069 on Form S-3, filed November 1, 1994, No. 33-54401 on Form S-8, filed July 1, 1994, No. 33-50987 on Form S-8, filed November 10, 1993, No. 33-54996 on Form S-4, filed November 25, 1992, No. 33-17982 on Form S-8, filed October 20, 1987, and No. 33-9790 on Form S-8, filed November 4, 1986 of our report dated December 22, 1994, with respect to the consolidated financial statements of Gibraltar Mausoleum Corporation and subsidiaries for the year ended September 30, 1994 included in this Form 8-K.

/s/ ERNST & YOUNG LLP

August 31, 1995
Indianapolis, Indiana