

ANNUAL OPERATING AND FINANCIAL TREND REPORT
(in thousands, except per share amounts)

	2013	2014	2015	2016	Rolling Four Quarters	CAGR
Same Store Contracts						
Atneed Contracts	23,774	23,920	23,907	23,694	23,852	
Preneed Contracts	6,008	5,640	5,754	5,580	5,577	
Total Same Store Funeral Contracts	29,782	29,560	29,661	29,274	29,429	-0.3%
Acquisition Contracts						
Atneed Contracts	64	1,473	2,392	3,289	4,004	
Preneed Contracts	8	369	574	597	761	
Total Acquisition Funeral Contracts	72	1,842	2,966	3,886	4,765	
Total Funeral Contracts	29,854	31,402	32,627	33,160	34,194	4.0%
Funeral Operating Revenue						
Same Store Revenue	\$153,388	\$153,326	\$157,181	\$155,710	\$157,053	0.7%
Acquisition Revenue	464	10,926	19,187	24,914	30,971	
Total Funeral Operating Revenue	\$153,851	\$164,252	\$176,368	\$180,624	\$188,024	5.9%
Cemetery Operating Revenue						
Same Store Revenue	\$40,479	\$41,558	\$43,661	\$45,894	\$45,042	3.1%
Acquisition Revenue	-	1,297	2,996	3,052	3,328	
Total Cemetery Operating Revenue	\$40,479	\$42,856	\$46,657	\$48,947	\$48,370	5.2%
Financial Revenue						
Preneed Funeral Commission Income	\$1,853	\$2,036	\$1,484	\$1,429	\$1,288	
Preneed Funeral Trust Earnings	7,378	7,447	7,966	7,348	7,270	
Cemetery Trust Earnings	8,095	8,123	8,440	8,004	8,151	
Preneed Cemetery Finance Charges	1,418	1,410	1,587	1,848	1,910	
Total Financial Revenue	\$18,744	\$19,016	\$19,477	\$18,629	\$18,619	-0.2%
Total Revenue	\$213,074	\$226,124	\$242,502	\$248,200	\$255,013	5.3%
Field EBITDA						
Same Store Funeral Field EBITDA	\$55,230	\$56,058	\$59,840	\$60,821	\$61,769	3.2%
Same Store Funeral Field EBITDA Margin	36.0%	36.6%	38.1%	39.1%	39.3%	
Acquisition Funeral Field EBITDA	229	4,417	8,473	10,421	12,655	
Acquisition Funeral Field EBITDA Margin	49.5%	40.4%	44.2%	41.8%	40.9%	
Total Funeral Field EBITDA	\$55,459	\$60,474	\$68,313	\$71,242	\$74,424	8.8%
Total Funeral Field EBITDA Margin	36.0%	36.8%	38.7%	39.4%	39.6%	
Same Store Cemetery Field EBITDA	\$11,714	\$11,856	\$14,034	\$14,618	\$13,314	3.7%
Same Store Cemetery Field EBITDA Margin	28.9%	28.5%	32.1%	31.9%	29.6%	
Acquired Cemetery Field EBITDA	-	340	1,099	1,049	1,281	
Acquired Cemetery Field EBITDA Margin	0.0%	26.3%	36.7%	34.4%	38.5%	
Total Cemetery Field EBITDA	\$11,714	\$12,196	\$15,133	\$15,667	\$14,595	6.5%
Total Cemetery Field EBITDA Margin	28.9%	28.5%	32.4%	32.0%	30.2%	
Funeral Financial EBITDA	\$7,966	\$8,348	\$8,339	\$7,941	\$7,653	
Cemetery Financial EBITDA	9,338	9,341	9,754	9,563	9,745	
Total Financial EBITDA	\$17,304	\$17,689	\$18,093	\$17,504	\$17,398	0.2%
Total Financial EBITDA Margin	92.3%	93.0%	92.9%	93.4%	93.4%	
Total Field EBITDA	\$84,477	\$90,359	\$101,539	\$104,413	\$106,417	6.8%
Total Field EBITDA Margin	39.6%	40.0%	41.9%	42.1%	41.7%	
Overhead						
Total Variable Overhead	\$8,845	\$10,764	\$10,878	\$13,122	\$10,244	
Total Regional Fixed Overhead	3,346	3,136	3,435	3,667	3,841	
Total Corporate Fixed Overhead	20,829	20,227	20,354	19,109	20,649	
Total Overhead	\$33,020	\$34,127	\$34,667	\$35,898	\$34,734	1.5%
Overhead as a percentage of Revenue	15.5%	15.1%	14.3%	14.5%	13.6%	
Consolidated EBITDA	\$51,457	\$56,232	\$66,872	\$68,515	\$71,683	9.9%
Consolidated EBITDA Margin	24.1%	24.9%	27.6%	27.6%	28.1%	
Other Expenses and Interest						
Depreciation & Amortization	\$11,635	\$11,923	\$13,780	\$15,421	\$15,602	
Non-Cash Stock Compensation	2,916	3,832	4,444	2,890	2,535	
Interest Expense	13,437	10,308	10,559	11,738	12,155	
Accretion of Discount on Convert. Sub. Notes	-	2,452	3,454	3,870	4,092	
Loss on Early Extinguishment of Debt	-	1,042	-	567	-	
Loss on Redemption of Convert. Jr Sub. Deb.	-	3,779	-	-	-	
Other, Net	(896)	195	45	1,788	2,090	
Pretax Income	\$24,365	\$22,701	\$34,590	\$32,241	\$35,209	11.1%
Tax Provision	9,245	8,995	13,596	12,682	13,869	
Tax Adjustment Related to Certain Discrete Items	-	-	141	(22)	37	
Tax Benefit Related to Uncertain Tax Positions	-	(1,740)	-	-	-	
Net Tax Provision	\$9,245	\$7,255	\$13,737	\$12,660	\$13,906	12.4%
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$21,304	10.3%
<i>Effective Tax Rate</i>	37.9%	32.0%	39.7%	39.3%	39.5%	
Special Items, Net of tax except for **						
Withdrawable Trust Income	\$960	\$1,181	\$366	-	-	
Acquisition and Divestiture Expenses	496	764	405	456	120	
Severance and Retirement Costs	965	697	633	2,587	793	
Consulting Fees	368	277	1,265	323	-	
Other Incentive Compensation	-	660	-	-	-	
Securities Transaction Expenses	160	-	-	-	-	
Accretion of Discount on Convert. Sub. Notes **	-	2,452	3,454	3,870	4,092	
Loss on Early Extinguishment of Debt	248	688	-	369	-	
Loss on Redemption of Convert. Jr Sub. Deb.	-	2,493	-	-	-	
Net Gain/Loss on Asset Purchase/Sale	-	(367)	-	1,152	1,350	
Other Special Items	(484)	503	244	-	-	
Tax Adjustment from Prior Period **	260	-	141	-	-	
Sum of Special Items	\$2,973	\$9,348	\$6,508	\$8,757	\$6,355	
Adjusted Net Income	\$18,093	\$24,794	\$27,361	\$28,338	\$27,659	12.9%
Adjusted Net Profit Margin	8.5%	11.0%	11.3%	11.4%	10.8%	
Adjusted Basic EPS	\$1.00	\$1.35	\$1.52	\$1.71	\$1.66	15.6%
Adjusted Diluted EPS	\$0.98	\$1.34	\$1.48	\$1.62	\$1.54	13.8%
GAAP Basic EPS	\$0.83	\$0.84	\$1.16	\$1.18	\$1.27	12.9%
GAAP Diluted EPS	\$0.82	\$0.83	\$1.12	\$1.12	\$1.18	11.0%
Average Number of Basic Shares Outstanding	17,826	18,108	17,791	16,515	16,625	-2.0%
Average Number of Diluted Shares Outstanding	22,393	18,257	18,313	17,460	18,083	-5.9%
Reconciliation of Consolidated EBITDA to Adjusted Consolidated EBITDA						
Consolidated EBITDA	\$51,457	\$56,232	\$66,872	\$68,515	\$71,683	9.9%
Withdrawable Trust Income	1,454	1,788	555	-	-	
Acquisition and Divestiture Expenses	752	1,158	614	701	185	
Severance and Retirement Costs	1,462	1,056	959	3,979	1,220	
Consulting Fees	557	419	1,913	496	-	
Other Incentive Compensation	-	1,000	-	-	-	
Securities Transaction Expenses	242	-	-	-	-	
Other Special Items	83	-	220	-	-	
Adjusted Consolidated EBITDA	\$56,007	\$61,653	\$71,133	\$73,691	\$73,088	7.9%
Adjusted Consolidated EBITDA Margin	26.3%	27.3%	29.3%	29.7%	28.7%	

The tables above include the use of certain financial measures that are not GAAP measures. The Non-GAAP financial measures are presented for additional information and are reconciled to their most comparable GAAP measures below. We define our Non-GAAP measures as "Adjusted" which is reflected on our Annual Operating and Financial Metrics Trend Report.

Reconciliation of GAAP Net Income to Adjusted Net Income for the five year annual period (thousands):

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$21,304
Special Items, Net of tax	\$2,973	\$9,348	\$6,508	\$8,757	\$6,355
Adjusted Net Income	\$18,093	\$24,794	\$27,361	\$28,338	\$27,659

Reconciliation of GAAP Basic Earnings Per Share to Adjusted Basic Earnings per Share for the five year annual period (thousands):

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Basic EPS	\$0.83	\$0.84	\$1.16	\$1.18	\$1.27
Effect of Special Items	0.17	0.51	0.36	0.53	0.39
Adjusted Basic EPS	\$1.00	\$1.35	\$1.52	\$1.71	\$1.66

Reconciliation of GAAP Diluted Earnings Per Share to Adjusted Diluted Earnings per Share for the five year annual period (thousands):

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Diluted EPS	\$0.82	\$0.83	\$1.12	\$1.12	\$1.18
Effect of Special Items	0.16	0.51	0.36	0.50	0.36
Adjusted Diluted EPS	\$0.98	\$1.34	\$1.48	\$1.62	\$1.54

Reconciliation of GAAP Net Income to Adjusted Consolidated EBITDA for the five year annual period (thousands):

	2013	2014	2015	2016	Rolling Four Quarters
GAAP Net Income	\$15,120	\$15,446	\$20,853	\$19,581	\$21,304
Net Tax Provision	9,245	7,255	13,737	12,660	13,906
Pretax Income	\$24,365	\$22,701	\$34,590	\$32,241	\$35,209
Interest Expense	13,437	10,308	10,559	11,738	12,155
Accretion of Discount on Convert. Sub. Notes	-	2,452	3,454	3,870	4,092
Loss on Early Extinguishment of Debt	-	1,042	-	567	-
Loss on Redemption of Convert. Jr Sub. Deb.	-	3,779	-	-	-
Non-Cash Stock Compensation	2,916	3,832	4,444	2,890	2,535
Depreciation & Amortization	11,635	11,923	13,780	15,421	15,602
Other, Net	(896)	195	45	1,788	2,090
Special Items	4,550	5,421	4,261	5,176	1,405
Adjusted Consolidated EBITDA	\$56,007	\$61,654	\$71,133	\$73,691	\$73,088
Revenue	\$ 213,074	\$ 226,124	\$ 242,502	\$ 248,200	\$ 255,013
Adjusted Consolidated EBITDA Margin	26.3%	27.3%	29.3%	29.7%	28.7%