SERVICE CORPORATION INTERNATIONAL
Form 424B5
August 11, 2015
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-184087

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
5.375% Senior Notes due 2024	$300,000,000	$34,860

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To prospectus dated June 6, 2013)

$300,000,000

Service Corporation International

5.375% Senior Notes due 2024

We are offering $300,000,000 aggregate principal amount of 5.375% Senior Notes due 2024 (the notes). We will pay interest on the notes on May 15 and November 15 of each year, beginning November 15, 2015. The notes will mature on May 15, 2024.

The notes offered hereby form a part of the series of our outstanding 5.375% Senior Notes due 2024 and have the same terms as the existing notes of this series issued by us. The notes will have the same CUSIP number as the existing notes and will trade interchangeably with the existing notes immediately upon settlement. The notes offered hereby and the existing notes previously issued by us will constitute a single series under the indenture for all purposes. Upon issuance of the notes, the aggregate principal amount outstanding of our 5.375% Senior Notes due 2024 will be $850 million.

We may redeem some or all of the notes at any time on or after May 15, 2019 at redemption prices described in this prospectus supplement, plus accrued and unpaid interest to the date of redemption, and prior to such date at a make-whole redemption price, plus accrued and unpaid interest to the date of redemption. If a change of control occurs, we will be required to offer to purchase the notes from the holders.

The notes will be our general unsecured senior obligations and will rank equal in right of payment with all of our other unsubordinated indebtedness and senior in right of payment to any of our future subordinated indebtedness. The notes will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the collateral securing such indebtedness and to all indebtedness and other obligations of our subsidiaries, whether or not secured, including subsidiary guarantees of obligations under our senior credit facilities.

Investing in the notes involves risks that are described in the Risk factors section beginning on page S-7 of this prospectus supplement.

	Per note	Total
Public offering price[1]	103.750%	$ 311,250,000
Underwriting discount	1.750%	$ 5,250,000
Proceeds, before expenses, to us[1]	102.000%	$ 306,000,000

[1] The public offering price above and the proceeds to us do not include accrued interest. Accrued interest on the notes must be paid by the purchaser for the period from May 15, 2015 to August 18, 2015. We expect that delivery of the notes will be made to investors on or about August 18, 2015.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about August 18, 2015.

Joint Book-Running Managers

BofA Merrill Lynch **J.P. Morgan** **Wells Fargo Securities**

Senior Co-Manager

SunTrust Robinson Humphrey

Lead Co-Managers

Scotiabank **BBVA**

Co-Managers

BB&T Capital Markets **Fifth Third Securities** **Raymond James** **MUFG**

The date of this prospectus supplement is August 10, 2015

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectuses we may provide to you in connection with this offering. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it as having been authorized by us or the underwriters. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein and any free writing prospectuses we may provide to you in connection with this offering is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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Prospectus

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About this prospectus supplement

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the information incorporated by reference herein as set forth under the heading Incorporation of certain information by reference on page S-40.

In this prospectus supplement, the terms SCI, the Company, we, our and us refer to Service Corporation Internat and its subsidiaries, unless otherwise specified or the context otherwise requires. References to underwriters refer to the firms listed on the cover page of this prospectus supplement. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

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Summary

This summary highlights selected information about us and this offering, including information appearing elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, and does not contain all of the information that you should consider in making your investment decision. You should read this summary together with the more detailed information appearing elsewhere in this prospectus supplement, as well as the information in the accompanying prospectus and in the documents incorporated by reference or deemed incorporated by reference into this prospectus supplement or the accompanying prospectus. You should carefully consider, among other things, the matters discussed in the sections titled Risk factors on page S-7 of this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2014 and in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015 and June 30, 2015.

Our business

Service Corporation International is North America s largest provider of deathcare products and services, with a network of funeral service locations and cemeteries unequaled in geographic scale and reach. At June 30, 2015, we operated 1,550 funeral service locations and 467 cemeteries (including 262 combination locations) in North America, which are geographically diversified across 45 states, eight Canadian provinces, the District of Columbia and Puerto Rico. Our funeral and cemetery operations consist of funeral service locations, cemeteries, funeral service/cemetery combination locations, crematoria and related businesses. We sell cemetery property and funeral and cemetery merchandise and services at the time of need and on a preneed basis.

We were incorporated in Texas in July of 1962. Our principal executive offices are located at 1929 Allen Parkway, Houston, Texas 77019. Our telephone number at that address is (713) 522-5141. Our website is located at www.sci-corp.com. Other than as described in Where you can find more information and Incorporation of certain information by reference below, the information on, or that can be accessed through, our website is not incorporated by reference in this prospectus supplement, and you should not consider it to be a part of this prospectus supplement. Our web site address is included as an inactive textual reference only.

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The offering

The following summary contains basic information about the notes and it is not intended to be complete. It may not contain all of the information that may be important to you. For a more complete description of the notes, see Description of the notes. In this summary of the offering, the words we, us and our refer only to Service Corporation International and not to any of its subsidiaries.

Issuer	Service Corporation International, a Texas corporation.
Notes Offered	$300,000,000 aggregate principal amount of 5.375% senior notes due 2024. The notes offered hereby form a part of the series of our outstanding 5.375% Senior Notes due 2024 and have the same terms as the existing notes of this series issued by us. The notes will have the same CUSIP number as the existing notes and will trade interchangeably with the existing notes immediately upon settlement. The notes offered hereby and the existing notes previously issued by us will constitute a single series under the indenture for all purposes. Upon issuance of the notes, the aggregate principal amount outstanding of our 5.375% Senior Notes due 2024 will be $850 million.
Maturity	May 15, 2024.
Interest	5.375% per annum. Interest on the notes will accrue from May 15, 2015 and will be payable semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2015.
Ranking	The notes will be our general unsecured obligations and:

- will rank equal in right of payment with all of our other unsubordinated indebtedness;
- will rank senior in right of payment to any of our future subordinated indebtedness; and
- will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the collateral securing such indebtedness and to all indebtedness and other obligations of our subsidiaries, whether or not secured, including subsidiary guarantees of obligations under our senior credit facilities.

As of June 30, 2015, on an as adjusted basis after giving effect to the issuance and sale of the notes offered hereby, the redemption of all of our outstanding 6.750% Senior Notes due 2016 (the 2016 notes) and the repayment of approximately $99 million of outstanding borrowings under our Revolving Facility (as such term is defined under Description of Other Indebtedness) with the proceeds of this offering:

we would have had approximately $2,876 million of outstanding senior indebtedness, with $506 million outstanding under our senior credit facilities, $2,370 million of currently outstanding

senior notes and undrawn availability of $302 million under our Revolving Facility; and

our subsidiaries would have had approximately $1,562 million of total indebtedness and other liabilities outstanding, including trade payables, and excluding intercompany obligations, deferred revenue, deferred receipts held in trust, care trusts corpus and guarantees of remaining debt obligations under our senior credit facilities.

As of June 30, 2015, we had $188 million of secured indebtedness outstanding.

Optional Redemption	Prior to May 15, 2019, we may redeem the notes at our option, at any time in whole or in part, pursuant to a make-whole redemption at the make-whole redemption price, plus accrued and unpaid interest to the date of redemption. On or after May 15, 2019, we may redeem the notes at our option, at any time in whole or in part, at the redemption prices specified in Description of the notes Optional redemption, plus accrued and unpaid interest to the date of redemption.
Change of Control	If we experience a Change of Control (as defined in Description of the notes Change of control), each holder of the notes may require us to repurchase such holder s notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the purchase date.
Guarantees	None.
Covenants	Under the indenture, we have agreed to certain restrictions on our ability to create or incur liens and to enter into certain sale/leaseback transactions. These covenants are subject to important exceptions and qualifications. See Description of the notes Certain covenants.
Use of Proceeds	We expect the net proceeds from the sale of the notes to be approximately $305,170,000, after deduction of offering-related expenses and the underwriting discount. We will use the net proceeds from this offering to redeem all of the outstanding 2016 notes and to repay approximately $99 million of outstanding borrowings under our Revolving Facility.

Additional Notes	The indenture does not limit the amount of notes, debentures or other evidences of indebtedness that we may issue and provides that notes may be issued from time to time in one or more series.
Denomination and Form	We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company (DTC). Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect

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participants in DTC. Euroclear Bank, S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Risk Factors	Investment in the notes involves certain risks. You should carefully read and consider the information set forth in Risk factors beginning on page S-7 and the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 and in our Quarterly Reports on form 10-Q for the quarterly periods ended March 31, 2015 and June 30, 2015 before investing in the notes.
Trustee	The Bank of New York Mellon Trust Company, N.A.

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Summary historical financial information

The following table sets forth SCI s summary historical financial information and other data for the periods ended, and as of the dates, indicated below. SCI s summary historical financial information for the fiscal years 2012, 2013 and 2014 has been derived from SCI s audited annual financial statements incorporated by reference in this prospectus supplement. The summary historical financial information for the six months ended June 30, 2014 and 2015 has been derived from SCI s unaudited interim financial statements incorporated by reference in this prospectus supplement. As described in more detail in note 1 below, one component of Pro-forma Adjusted EBITDA has not been derived from SCI s historical financial statements. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year period.

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	(Dollars in millions)				
Statement of operations data:					
Revenues	$ 2,404	$ 2,550	$ 2,994	$ 1,492	$ 1,502
Gross profits	523	549	676	322	345
(Losses) gains on divestitures & impairment charges, net	(2)	(6)	117	32	(7)
Operating income	399	388	608	252	269
Income from continuing operations before income taxes	245	245	403	133	183
Income from continuing operations	155	152	177	73	115
Net income attributable to common stockholders	154	147	172	67	114
Financial and other data:					
EBITDA (as defined)[1]	$ 569	$ 580	$ 820	$ 340	$ 379
Pro-forma Adjusted EBITDA (as defined)[1]	617	776	787	372	400
Capital expenditures	(115)	(113)	(144)	(57)	(65)
Depreciation and amortization[2]	189	192	237	116	111
Net cash provided by operating activities	369	385	317	171	283
Net cash (used in) provided by investing activities	(175)	(1,157)	257	77	(84)
Net cash (used in) provided by financing activities	(232)	825	(538)	(250)	(175)
Balance sheet data (at period end):					
Cash and cash equivalents	$ 89	$ 142	$ 177	$ 141	$ 199
Working capital[3]	(130)	(294)	(155)	(209)	(364)
Total assets	9,589	12,834	11,924	12,857	11,925
Total debt	1,948	3,302	3,055	3,152	3,060
Stockholders equity	1,395	1,470	1,369	1,417	1,325

(1) EBITDA represents net income plus (i) provision for income taxes, (ii) interest expense and (iii) depreciation and amortization less (iv) interest income.

Pro-forma Adjusted EBITDA represents EBITDA further adjusted to reflect the impact of (i) losses (gains) on early extinguishment of debt, (ii) non-cash stock compensation expenses, (iii) acquisition, restructuring & system transition

costs, (iv) losses (gains) on divestitures and impairment charges, net, (v) pro-forma effect of acquisitions (divestitures), net and (vi) other adjustments.

The adjustment described in the foregoing clause (v) is derived from the acquired company s financial statements, and not SCI s historical financial statements.

We believe that EBITDA and Pro-forma Adjusted EBITDA facilitate company-to-company performance comparisons by removing potential differences caused by variations in capital structure, taxation and the age and depreciation of facilities and equipment, which may vary for different companies for reasons unrelated to general performance. Our calculations of EBITDA and Pro-forma Adjusted EBITDA are not necessarily comparable to other similarly titled measures of other companies.

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EBITDA and Pro-forma Adjusted EBITDA are not measures of performance under generally accepted accounting principles in the United States (GAAP) and should not be used in isolation or as a substitute for net income (loss), income from continuing operations or other statement of operations data prepared in accordance with GAAP.

We do not intend to provide EBITDA or Pro-forma Adjusted EBITDA information for future periods in earnings press releases, filings with the SEC or in response to inquiries.

The following table provides a reconciliation from net income to EBITDA and Pro-forma Adjusted EBITDA for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2012	2013	2014	2014	2015
	(Dollars in millions)				
Net income	$ 155.4	$ 152.6	$ 178.8	$ 73.2	$ 114.6
Provision for income taxes	90.1	93.0	226.0	60.1	67.7
Interest expense, net	135.1	142.4	177.6	91.3	85.9
Depreciation and amortization	188.7	192.4	237.1	115.7	110.9
EBITDA	569.3	580.4	819.5	340.3	379.1
Losses (gains) on early extinguishment of debt	22.7	(0.5)	29.2	29.2	
Non-cash stock compensation expenses	11.0	11.9	13.1	6.4	7.3
Acquisition, restructuring & system transition costs	9.1	56.0	67.4	48.1	3.9
Losses (gains) on divestitures & impairment charges, net	1.5	6.3	(116.6)	(32.2)	7.4
Pro-forma effect of acquisitions (divestitures), net[a]	9.3	123.1	(19.7)	(16.5)	2.7
Other[b]	(5.8)	(1.4)	(5.5)	(2.9)	(0.4)
Pro-forma Adjusted EBITDA[c]	$ 617.1	$ 775.8	$ 787.4	$ 372.4	$ 400.0

(a) Pro-forma effect of acquisitions (divestitures), net reflects the following pro-forma adjustments: (i) include EBITDA of acquired operations from the beginning of the period for which Pro-forma Adjusted EBITDA is presented until the date of acquisition, (ii) deduct EBITDA of divested assets that have been included in EBITDA to the extent positive or add EBITDA of divested assets to the extent negative and (iii) reflect the impact on EBITDA of synergies related to certain acquisitions consistent with criteria in the Credit Agreement.

(b) Other includes the following adjustments (consistent with the definition of EBITDA in the Credit Agreement): non-recurring and non-cash income or expense, expenses related to surety premiums and income from discontinued operations for assets that have not been divested during the current period.

(c) The calculation of Pro-forma Adjusted EBITDA is consistent with the calculation of EBITDA as defined in Article I of the Credit Agreement.

(2) Depreciation and amortization expense for the years ended December 31, 2012, 2013 and 2014 and the six months ended June 30, 2014 and 2015 exclude the amortization of deferred loan costs of $4.9 million, $15.9 million and $8.8 million and $4.0 million and $4.9 million, respectively, which are included in the statement of cash flows for these periods.

(3) Working capital represents current assets less current liabilities.

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Risk factors

An investment in the notes involves risks. Before deciding whether to purchase the notes, you should consider the risks discussed below and elsewhere in this prospectus supplement and in the accompanying prospectus, including those set forth under the heading Forward-looking statements on page 1 of the accompanying prospectus. You should also consider the risks set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 that is incorporated by reference in this prospectus supplement and the accompanying prospectus. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

Any of the risks discussed below or elsewhere in this prospectus supplement, the accompanying prospectus or in our SEC filings incorporated by reference in this prospectus supplement and the accompanying prospectus, and other risks we have not anticipated or discussed, could have a material adverse impact on our business, financial condition or results of operations. In that case, our ability to pay interest on the notes when due or to repay the notes at maturity could be adversely affected, and the trading price of the notes could decline substantially.

Risks related to the notes

Our level of indebtedness following the completion of this offering could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from fulfilling our obligations under our indebtedness, including the notes.

We have a significant amount of indebtedness. As of June 30, 2015, on an as adjusted basis after giving effect to the issuance and sale of the notes offered hereby, the redemption of all of the outstanding 2016 notes and the repayment of approximately $99 million of outstanding borrowings under our Revolving Facility, we would have had approximately $2,876 million of outstanding senior indebtedness, with $506 million outstanding under our senior credit facilities, $2,370 million currently outstanding senior notes and undrawn availability of $302 million under our Revolving Facility. As of June 30, 2015, we had $188 million of secured indebtedness outstanding.

Our substantial indebtedness could have important consequences to you, including the following:

- it may limit our ability to obtain additional debt or equity financing for working capital, capital expenditures, acquisitions, debt service requirements and general corporate or other purposes;

- a substantial portion of our cash flows from operations will be dedicated to the payment of principal and interest on our indebtedness, including indebtedness we may incur in the future, and will not be available for other purposes, including to finance our working capital, capital expenditures, acquisitions and general corporate or other purposes;

- it could limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and place us at a competitive disadvantage compared to our competitors that have less debt;

it could make us more vulnerable to downturns in general economic or industry conditions or in our business, or prevent us from carrying out activities that are important to our growth;

it could increase our interest expense if interest rates in general increase because a portion of our indebtedness, including all of our indebtedness under our senior credit facilities, bears interest at floating rates; and

it could make it more difficult for us to satisfy our obligations with respect to our indebtedness, including under the notes, and any failure to comply with the obligations of any of our debt instruments, including any financial and other restrictive covenants, could result in an event of default

under the indenture governing the notes or under the agreements governing our other indebtedness which, if not cured or waived, could result in the acceleration of our indebtedness under our senior credit facilities and under the notes offered hereby.

Any of the above listed factors could materially affect our business, cash flows, financial condition and results of operations.

In addition to our high level of indebtedness, we also have significant rental and other obligations under our operating and capital leases for funeral service locations, cemetery operating and maintenance equipment and transportation equipment. These obligations could further increase the risks described above.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations.

A significant portion of our cash flow from operations is dedicated to pay principal and interest on outstanding debt. Our ability to make payments on and to refinance our indebtedness, including the notes offered hereby, and to fund our operations, working capital, capital expenditures and any future acquisitions, will principally depend upon our ability to generate cash flow from our future operations. To a certain extent, our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control. In addition, a portion of our indebtedness, as well as any future indebtedness under our senior credit facilities, bears interest at floating rates, and, therefore, if interest rates increase, our debt service requirements will increase.

We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our senior credit facilities in an amount sufficient to enable us to pay our indebtedness, including the notes offered hereby, or to fund other liquidity needs.

Despite our substantial indebtedness, we may still incur significantly more debt, which could further exacerbate the risks described above.

The indenture governing the notes offered hereby and our existing debt securities does not limit our ability to incur additional indebtedness. Although covenants in our senior credit facilities limit our ability and the ability of our present and future subsidiaries to incur certain additional indebtedness, the terms of the senior credit facilities permit us to incur significant additional indebtedness, including unused availability under our Revolving Facility. As of June 30, 2015, on an as adjusted basis after giving effect to the issuance and sale of the notes offered hereby, the redemption of all of the outstanding 2016 notes and the repayment of approximately $99 million of outstanding borrowings under our Revolving Facility, we would have had $302 million available for additional borrowing under our Revolving Facility. In addition, neither our senior credit facilities nor the indenture will prevent us from incurring obligations that do not constitute indebtedness (as defined in those documents) or prevent our subsidiaries from incurring certain obligations. To the extent that we incur additional indebtedness or such other obligations, the risks associated with our substantial leverage described above, including our possible inability to service our debt, would increase.

The notes lack certain covenants typically found in other comparably rated public debt securities.

Although the notes are rated below investment grade by both Standard & Poor s and Moody s Investors Service, they lack the protection of several restrictive covenants typically associated with comparably rated public debt securities, including:

incurrence of additional indebtedness;

payment of dividends and other restricted payments;

- sale of assets and the use of proceeds therefrom;
- transactions with affiliates; and
- dividend and other payment restrictions affecting subsidiaries.

We may not be able to repurchase the notes upon a change of control, which would result in a default under the indenture governing the notes and would adversely affect our business and financial condition.

Upon the occurrence of specific kinds of change of control events, we must offer to purchase the notes at 101% of the principal amount thereof plus accrued and unpaid interest to the purchase date. We may not have sufficient funds available to make any required repurchases of the notes, and restrictions under our senior credit facilities may not allow that repurchase. If we fail to repurchase notes in that circumstance, we will be in default under the indenture governing the notes and, in turn, under our senior credit facilities. In addition, certain change of control events will constitute an event of default under our senior credit facilities. A default under our senior credit facilities would result in an event of default under the indenture if the administrative agent or the lenders accelerate our debt thereunder. Upon the occurrence of a change of control, we could seek to refinance the indebtedness under our senior credit facilities and the notes or obtain a waiver from the lenders or the holders of the notes. We cannot assure you, however, that we would be able to obtain a waiver or refinance our indebtedness on commercially reasonable terms, if at all. Any future debt that we incur may also contain restrictions on repayment of the notes upon a change of control. See Description of the notes Change of control.

Our subsidiaries are not guarantors of the notes and, therefore, the notes will be structurally subordinated in right of payment to the indebtedness and other liabilities of our existing and future subsidiaries.

The claims of creditors of our subsidiaries will be required to be paid before the holders of the notes have a claim, if any, against our subsidiaries and their assets. Therefore, if there was a dissolution, bankruptcy, liquidation or reorganization of any of our subsidiaries, the holders of the notes would not receive any amounts with respect to the notes from the assets of such subsidiary until after the payment in full of the claims of the creditors of such subsidiary.

As of June 30, 2015, on an as adjusted basis after giving effect to the issuance and sale of the notes offered hereby, the redemption of all of the outstanding 2016 notes and the repayment of approximately $99 million of our outstanding borrowings under our Revolving Facility, our subsidiaries would have had approximately $1,562 million of total indebtedness and other liabilities outstanding, including trade payables, and excluding intercompany obligations, deferred revenues, deferred receipts held in trust, care trusts corpus and guarantees of remaining debt obligations under our senior credit facilities. In addition, certain of our subsidiaries would be guarantors of any additional indebtedness that we may incur under our senior credit facilities.

We are a holding company; therefore, our ability to repay our indebtedness, including the notes, is dependent on cash flow generated by our subsidiaries and their ability to make distributions to us.

We are a holding company with no significant operations or material assets other than the capital stock of our subsidiaries. As a result, our ability to repay our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us by dividend, intercompany debt repayment or otherwise. Our subsidiaries are not guarantors of the notes and do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. In addition, our subsidiaries may not be able to, or be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including with

respect to the notes. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions, as well as the financial condition and operating requirements of our subsidiaries, may limit our ability to obtain cash from our subsidiaries.

The notes are unsecured and will be effectively subordinated to all of our existing and future secured obligations to the extent of the collateral securing such obligations.

The notes are unsecured and will be effectively subordinated to all of our existing and future secured obligations to the extent of the collateral securing such obligations. As of June 30, 2015, we had approximately $188 million of secured indebtedness, which is effectively senior to the notes.

An active trading market for the notes may not develop.

The notes are a new issue of securities for which there is no established trading market. Although the underwriters have advised us that they currently intend to make a market for the notes, they have no obligation to do so, and may discontinue their market-making activities at any time without notice. In addition, any market-making activity will be subject to limits imposed by federal securities laws and may be limited during the offering of the notes.

The liquidity of any market for the notes will depend upon the number of holders of the notes, our operating performance and financial condition, the market for similar securities, the interest of securities dealers in making a market for the notes, prevailing interest rates and other factors. If an active market does not develop or is not maintained, the price and liquidity of the notes may be adversely affected. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. We cannot assure you that the market for the notes, if any, will be free from similar disruptions or that any such disruptions will not adversely affect the prices at which the holders may sell their notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our operating performance and financial condition and other factors.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to the notes, if any, could cause the liquidity or market value of the notes to decline.

We anticipate that the notes will be assigned ratings by rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency s judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the notes.

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Use of proceeds

We expect the net proceeds from the sale of the notes to be approximately $305,170,000, after deduction of offering-related expenses and the underwriting discount. We will use the net proceeds from this offering to redeem all of the outstanding 6.750% Senior Notes due 2016 and to repay approximately $99 million of outstanding borrowings under our Revolving Facility which matures in July 2018. As of June 30, 2015, we had approximately $265 million of outstanding borrowings under our Revolving Facility at an interest rate of 2.190%. The amount of outstanding indebtedness under the Revolving Facility immediately prior to the time of this offering is expected to be approximately $297 million.

In order to effectuate the redemption of the 2016 notes, we intend, prior to or promptly upon consummation of this offering, to deliver notice to holders of the 2016 notes of the redemption, which notice must be delivered at least 30 days prior to the redemption date. This prospectus supplement and the accompanying prospectus do not constitute a notice of redemption or an obligation to issue a notice of redemption with respect to such notes.

Certain of the underwriters or their affiliates are lenders under our existing senior credit facilities and will receive a portion of the amounts repaid under our Revolving Facility with the proceeds of the notes. Additionally, an affiliate of J.P. Morgan Securities LLC is the administrative agent under our existing senior credit facilities. Certain of the underwriters or their affiliates are holders of the 2016 notes to be redeemed with the net proceeds of this offering as described above, and therefore such underwriters or their affiliates will receive a portion of the net proceeds of this offering. See Underwriting.

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Capitalization

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2015 and as adjusted to give effect to the issuance and sale of the notes offered hereby, the redemption of all of the outstanding 2016 notes and the repayment of approximately $99 million of outstanding borrowings under our Revolving Facility. The following information should be read in conjunction with our consolidated financial statements, including the notes thereto, which are incorporated by reference herein.

	As of June 30, 2015	
	Actual	As adjusted
	(Unaudited, dollars in millions)	
Cash and cash equivalents[1]	$ 199	$ 193
Debt:		
Revolving Facility[2]	$ 265	$ 166
Term Loan due 2018	340	340
Additional 5.375% Senior Notes due 2024 offered hereby		300
6.750% senior notes due 2016	197	
7.000% senior notes due 2017	295	295
7.625% senior notes due 2018	250	250
4.500% senior notes due 2020	200	200
8.000% senior notes due 2021	150	150
5.375% senior notes due 2022	425	425
5.375% senior notes due 2024	550	550
7.500% senior notes due 2027	200	200
Other debt	188	199
Total debt	3,060	3,075
Total stockholders equity[3]	1,325	1,315
Non-controlling interests	9	9
Total capitalization	$ 4,394	$ 4,399

(1) Cash and cash equivalents will decrease by $6 million to pay accrued interest due with the extinguishment of the 2016 notes.

(2) The amount of outstanding indebtedness under the Revolving Facility immediately prior to the time of this offering is expected to be approximately $297 million, which consists of $265 million of outstanding revolving loans and $32 million of undrawn letters of credit. The Revolving Facility provides for aggregate borrowings of up to $500 million.

(3) Total stockholders equity will decrease by $10 million due to our loss on early extinguishment of debt, attributable to make-whole premiums, professional fees and costs and the write-off of remaining discounts associated with the extinguishment of the 2016 notes.

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Description of other indebtedness

Senior credit facilities

On July 2, 2013, we entered into a new credit agreement, with JPMorgan Chase Bank, N.A., as administrative agent and certain other financial institutions as lenders, which provided for a $600 million senior term loan facility, maturing in July 2018 (the Term Loan A), and a revolving credit facility providing for borrowings of up to $500 million, with sub-limits for the issuance of letters of credit and for swingline borrowings, with commitments expiring and loans maturing in July 2018 (the Revolving Facility and, together with the Term Loan A, the senior credit facilities). Our ability to draw under the Revolving Facility is conditioned upon, among other things, our ability to make the representations and warranties contained in the credit agreement and the absence of any default or event of default.

Under each of the Term Loan A and the Revolving Facility, loans bear interest, at our option, at an annual rate equal to (i) the highest of (a) the federal funds rate plus 0.5%, (b) the prime rate and (c) the one month LIBO rate plus 1.00%, or (ii) the LIBO rate, in each case, plus an applicable margin and subject to applicable floors.

Prepayments

Voluntary prepayments

We are permitted to voluntarily repay outstanding loans under the senior credit facilities at any time, in whole or in part, subject to customary breakage costs with respect to Eurodollar loans and, with respect to the Revolving Facility only, to subsequently reborrow amounts prepaid. We may reduce commitments under the Revolving Facility at any time, in whole or in part, subject to minimum amounts.

Term Loan A prepayments

The Term Loan A requires us to prepay outstanding term loans, subject to certain exceptions, with:

- When the Leverage Ratio (as defined therein) exceeds 3.75 to 1.00, 100% of the net cash proceeds received by the Company or any of its restricted subsidiaries from all non-ordinary course asset sales or other dispositions of property of the Company or any of its subsidiaries (including insurance and condemnation proceeds, in each case, subject to a *de minimis* threshold), subject to reinvestment rights and other limited exceptions; *provided* that such reinvestment rights shall apply solely to the extent the aggregate amount of such prepayments of the Term Loan A would exceed $200,000,000; and

- 100% of the net proceeds of any issuance or incurrence of any indebtedness of the Company or any of its restricted subsidiaries, other than permitted indebtedness under the senior credit facilities.

Amortization

The Term Loan A amortizes in quarterly installments payable on the last day of each full fiscal quarter, having commenced with the quarter ended March 31, 2014, in the following amounts (expressed as a percentage of the principal amount outstanding on December 23, 2013), with the balance payable at maturity:

Quarter ending	Amount
March 31, 2014 through December 31, 2014	1.25%
March 31, 2015 through December 31, 2016	2.50%
March 31, 2017 and subsequent	3.75%

Guarantees

All obligations under the senior credit facilities and any interest rate protection and other permitted hedging arrangements and overdrafts resulting from cash management arrangements are unconditionally guaranteed by certain of our existing and subsequently acquired or organized subsidiaries.

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Certain covenants

The senior credit facilities contain a number of covenants that, among other things, restrict, subject to certain exceptions, our ability or the ability of our subsidiaries to:

- incur additional indebtedness (including guarantee obligations);
- create liens on assets;
- enter into sale and leaseback transactions;
- engage in mergers, liquidations and dissolutions;
- sell assets;
- enter into leases;
- pay dividends, distributions and other payments in respect of capital stock, and purchase our capital stock in the open market;
- make investments, loans or advances;
- repay subordinated indebtedness or amend the agreements relating thereto;
- engage in certain transactions with affiliates;
- change our fiscal year;
- create restrictions on our ability to receive distributions from subsidiaries; and
- change our lines of business.

In addition, the senior credit facilities require us to maintain the following financial covenants:

a maximum total leverage ratio; and

a minimum interest coverage ratio.

The senior credit facilities contain customary affirmative covenants.

Events of default

The senior credit facilities contain certain customary events of default, including, among others: failure to pay principal, interest or other amounts; inaccuracy of representations and warranties; violation of covenants; cross events of default; certain bankruptcy and insolvency events; certain ERISA events; certain undischarged judgments; and change of control.

Existing SCI indebtedness

As of June 30, 2015, we had the following outstanding existing notes in the principal amounts set forth in the table below:

	June 30, 2015 (dollars in millions)	
6.750% senior notes due 2016	$	197
7.000% senior notes due 2017		295
7.625% senior notes due 2018		250
4.500% senior notes due 2020		200
8.000% senior notes due 2021		150
5.375% senior notes due 2022		425
5.375% senior notes due 2024		550
7.500% senior notes due 2027		200

All of the existing notes and debentures listed above were issued under our senior indenture dated February 1, 1993, between us and The Bank of New York Mellon Trust Company, N.A., as successor trustee to The Bank of New York, as trustee. These senior debt securities are our general unsecured obligations, which rank equally in right of payment with all of our other unsecured and unsubordinated indebtedness, including the notes offered hereby. The indenture contains covenants that, among other things, restrict, subject to certain exceptions, our ability to create liens on assets and enter into sale and leaseback transactions. The indenture contains customary events of default. These senior debt securities are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a make-whole premium, plus accrued and unpaid interest, if any, to the date of redemption. Certain of these senior debt securities are also redeemable at our option after scheduled dates at redemption premiums that decline ratably to par over specified annual periods.

As of June 30, 2015, we also had outstanding $4 million of existing mortgage notes and other indebtedness with various maturities through 2050, $186 million of capital leases and $3 million of discounts, net. Our capital leases principally relate to funeral home facilities and transportation equipment.

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Description of the notes

SCI will issue $300 million aggregate principal amount of 5.375% Senior Notes due 2024 (the new notes) as Additional Notes (as defined below) under our senior indenture, dated February 1, 1993 (as supplemented, the Indenture), between us and the Bank of New York Mellon Trust Company, N.A., as trustee. The terms of the notes include those stated in the Indenture and those made a part of the Indenture by reference to the Trust Indenture Act of 1939, as amended.

SCI previously issued $550 million aggregate principal amount of 5.375% Senior Notes due 2024 (the existing notes) under the Indenture, all of which will remain outstanding following this offering. The new notes form a part of the series of the existing notes and have the same terms as the existing notes. The new notes will have the same CUSIP number as the existing notes and will trade interchangeably with the existing notes immediately upon settlement. The new notes and the existing notes will constitute a single series under the indenture for all purposes. Upon issuance of the new notes, the aggregate principal amount outstanding of our 5.375% Senior Notes due 2024 will be $850 million. Unless the context requires otherwise, for all purposes of the Indenture and this Description of the notes, references to the notes include the new notes, the existing notes and any Additional Notes that are actually issued.

In this description, the words Company, SCI, we, us and our refer only to Service Corporation International and any of its subsidiaries.

The following description is only a summary of the material provisions of the Indenture and the notes, does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Indenture and the notes, including definitions therein of certain terms. We urge you to read the Indenture because it, and not this description, defines your rights as Holders of the notes. You may request copies of the Indenture at our address set forth under the heading Where you can find more information.

Brief description of the notes

The notes:

- are general unsecured obligations of the Company;
- are senior in right of payment to all future subordinated debt of the Company;
- are equal in right of payment to all existing and future senior debt of the Company;
- are effectively subordinated in right of payment to all of the Company s existing and future secured debt to the extent of the collateral securing that debt; and
- are structurally subordinated in right of payment to all of the liabilities and obligations, including trade payables, of each of our subsidiaries, including subsidiary guarantees of our existing senior credit facilities.

Principal, maturity and interest

The Company will issue the new notes in an aggregate principal amount of $300 million. The notes will mature on May 15, 2024. The Company will issue the new notes in denominations of $2,000 and any integral multiple of $1,000 in excess thereof. We are permitted to issue more notes from time to time under the Indenture on the same terms and conditions as the notes being offered hereby in an unlimited additional aggregate principal amount (the Additional Notes). The notes and the Additional Notes, if any, will be treated as a single class for all purposes of the Indenture, including waivers, amendments and redemptions.

Interest on the notes will accrue at a rate of 5.375% per annum and will be payable semi-annually in arrears on May 15 and November 15, commencing on November 15, 2015. We will make each interest payment to the Holders of record of the notes at the close of business on the immediately preceding May 1 and November 1.

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Interest on the notes will accrue from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional redemption

Prior to May 15, 2019, the notes will be redeemable, in whole or in part, at our option at any time, upon at least 30 days and not more than 60 days notice to the Holders, at a redemption price equal to the greater of:

(1) 100% of the principal amount of such notes to be redeemed; and

(2) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal (at the redemption price set forth in the table below as if redeemed on May 15, 2019) and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption) through May 15, 2019 discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at the Adjusted Treasury Rate, plus 50 basis points,

plus, in each case, accrued interest thereon to the date of redemption.

On and after May 15, 2019, the notes will be redeemable, in whole or in part, at our option at any time, upon at least 30 days and not more than 60 days notice to the Holders, at the redemption prices (expressed in percentages of principal amount on the redemption date), plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing on May 15 of the years set forth below:

Period	Redemption price
2019	102.688%
2020	101.792%
2021	100.896%
2022 and thereafter	100.000%

Selection

If we redeem less than all of the notes at any time, the notes to be redeemed will be selected by lot in accordance with DTC s applicable procedures. In the event of a partial redemption, the Trustee may select for redemption portions of the principal amount of any note of a denomination larger than $1,000.

Mandatory redemption; open market purchases

We are not required to make any mandatory redemption or sinking fund payments with respect to the notes. However, under certain circumstances, we may be required to offer to purchase notes as described under the caption Change of control. We may at any time and from time to time purchase notes in the open market or otherwise.

Ranking

Senior indebtedness versus notes

The notes will be our general unsecured obligations and will rank equal in right of payment with all of our other unsubordinated indebtedness and senior in right of payment to any of our future subordinated indebtedness. The notes

will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the collateral securing such indebtedness.

As of June 30, 2015, on an as adjusted basis after giving effect to the issuance and sale of the notes offered hereby, the redemption of all of the outstanding 2016 notes and the repayment of approximately $99 million of outstanding borrowings under our Revolving Facility, we would have had approximately $2,876 million of outstanding senior indebtedness, with $506 million outstanding under our senior credit facilities, $2,370 million of outstanding senior notes and undrawn availability of $302 million under our Revolving Facility.

Liabilities of subsidiaries versus notes

Substantially all of our operations are conducted through our subsidiaries. The notes are not guaranteed by any of our subsidiaries. Claims of creditors of our subsidiaries, including trade creditors and creditors holding indebtedness or guarantees issued by our subsidiaries, and claims of preferred stockholders of our subsidiaries, generally will have priority with respect to the assets and earnings of our subsidiaries over the claims of our creditors, including Holders of the notes. Accordingly, the notes will be effectively subordinated to creditors (including trade creditors) and preferred stockholders, if any, of our subsidiaries. At June 30, 2015, on an adjusted basis after giving effect to the issuance and sale of the notes offered hereby, the redemption of all of the outstanding 2016 notes and the repayment of approximately $99 million of outstanding borrowings under our Revolving Facility, our subsidiaries would have had approximately $1,562 million of total indebtedness, including trade payables, and excluding intercompany obligations, deferred revenues deferred receipts held in trust, care trusts corpus and guarantees of remaining debt obligations under our senior credit facilities. In addition, certain of our subsidiaries are guarantors of our indebtedness that we may incur under our senior credit facilities.

Change of control

Upon the occurrence of any of the following events (each a Change of Control), each Holder shall have the right to require that the Company repurchase all or any part of such Holder s notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date):

(1) any person (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (1) such person shall be deemed to have beneficial ownership of all shares that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the Voting Stock of the Company;

(2) individuals who on the Issue Date constituted the board of directors (together with any new directors whose election by such board of directors or whose nomination for election by the shareholders of the Company was approved by a vote of at least a majority of the directors of the Company then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors then in office;

(3) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution; or

(4) the merger or consolidation of the Company with or into another Person or the merger of another Person with or into the Company, or the sale of all or substantially all the assets of the Company (determined on a consolidated basis) to another Person, other than a transaction following which (i) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and (ii) in the case of a sale of assets transaction, each transferee becomes an obligor in respect of the notes and a subsidiary of the transferor of such assets.

Within 30 days following any Change of Control, we will mail a notice to each Holder with a copy to the Trustee (the Change of Control Offer) stating:

(1) that a Change of Control has occurred and that such Holder has the right to require us to purchase such Holder s notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro-forma historical income, cash flow and capitalization, in each case after giving effect to such Change of Control);

(3) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions, as determined by us, consistent with the covenant described hereunder, that a Holder must follow in order to have its notes purchased.

We will not be required to make a Change of Control Offer with respect to notes following a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all notes validly tendered and not withdrawn under such Change of Control Offer or (2) notice of redemption of all such notes has been given pursuant to the Indenture as described herein under the caption Optional redemption unless and until there has been a default in payment of the applicable redemption price.

A Change of Control Offer may be made in advance of a Change of Control, conditional upon the Change of Control, if a definitive agreement is in place for the Change of Control at the time of the making of the Change of Control Offer.

We will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, we will comply with the applicable securities laws and regulations and shall not be deemed to have breached our obligations under the covenant described hereunder by virtue of our compliance with such securities laws or regulations.

The Change of Control purchase feature of the notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Company and the underwriters. The Company does not have the present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional secured indebtedness or permit our assets to become subject to liens are contained in the covenant described under Certain covenants Limitation on liens. Such restrictions can only be waived with respect to the notes with the consent of the Holders of a majority in principal amount of the notes then outstanding. Except for the limitations contained in such covenant, however, the Indenture will not contain any covenants or provisions that may afford Holders of the notes protection in the event of a highly leveraged transaction.

Our senior credit facilities prohibit us from purchasing any notes upon a Change of Control prior to the maturity of the borrowings thereunder, and also provide that the occurrence of certain change of control events would constitute a default thereunder. In the event that at the time of such Change of Control the terms of our senior credit facilities restrict or prohibit the purchase of notes following such Change of Control, then prior to the mailing of the notice to Holders but in any event within 30 days following any Change of Control, we undertake to (1) repay in full all such indebtedness under the senior credit facilities or (2) obtain the requisite consents under the senior credit facilities to permit the repurchase of the notes. If we do not repay such indebtedness or obtain such consents, we will remain

prohibited from purchasing notes. In such case, our failure to comply with the foregoing undertaking, after appropriate notice and lapse of time, would result in an Event of Default under the Indenture, which would, in turn, constitute a default under the credit agreement.

Future indebtedness that we may incur may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by the Holders of their right to require us to repurchase their notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on us. Finally, our ability to pay cash to the Holders of notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. We cannot assure you that sufficient funds will be available when necessary to make any required repurchases.

The definition of Change of Control includes a disposition of all or substantially all of the assets of the Company to another Person. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the assets of the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of notes may require the Company to make an offer to repurchase the notes as described above. The provisions under the Indenture relative to our obligation to make an offer to repurchase the notes as a result of a Change of Control may be waived or modified with respect to the notes with the written consent of the Holders of a majority in principal amount of the notes.

Certain covenants

Limitation on liens

We will not, and we will not permit any of our subsidiaries to, mortgage, pledge, encumber or subject to any lien or security interest to secure any of our indebtedness or any indebtedness of any subsidiary (other than indebtedness owing to us or a wholly owned subsidiary) any assets without providing that the senior debt securities issued pursuant to the Indenture, including the notes, shall be secured equally and ratably with (or prior to) any other indebtedness so secured, unless, after giving effect thereto, the aggregate outstanding amount of all such secured indebtedness of us and our subsidiaries (excluding secured indebtedness existing as of March 31, 2014, and any extensions, renewals or refundings thereof that do not increase the principal amount of indebtedness so extended, renewed or refunded and excluding secured indebtedness incurred as set forth in the next paragraph), together with all outstanding Attributable Indebtedness from sale and leaseback transactions described in the first bullet point under Limitation on sale and leaseback transactions below, would not exceed 15% of Adjusted Consolidated Net Tangible Assets of us and our subsidiaries on the date such indebtedness is so secured.

This restriction will not prevent us or any subsidiary:

- from acquiring and retaining property subject to mortgages, pledges, encumbrances, liens or security interests existing thereon at the date of acquisition thereof, or from creating within one year of such acquisition mortgages, pledges, encumbrances or liens upon property acquired by us or any subsidiary after March 31, 2014, as security for purchase money obligations incurred by us or any subsidiary in connection with the acquisition of such property, whether payable to the person from whom such property is acquired or otherwise;

- from mortgaging, pledging, encumbering or subjecting to any lien or security interest current assets to secure current liabilities;

from mortgaging, pledging, encumbering or subjecting to any lien or security interest property to secure indebtedness under one or more senior credit facilities in an aggregate principal amount not to exceed $500 million;

from extending, renewing or refunding any indebtedness secured by a mortgage, pledge, encumbrance, lien or security interest on the same property theretofore subject thereto, *provided* that the principal amount of such indebtedness so extended, renewed or refunded shall not be increased; or

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from securing the payment of workmen s compensation or insurance premiums or from making good faith pledges or deposits in connection with bids, tenders, contracts (other than contracts for the payment of money) or leases, deposits to secure public or statutory obligations, deposits to secure surety or appeal bonds, pledges or deposits in connection with contracts made with or at the request of the United States government or any agency thereof, or pledges or deposits for similar purposes in the ordinary course of business.

Limitation on sale and leaseback transactions

We will not, and we will not permit any of our subsidiaries to, enter into any transaction with any bank, insurance company or other lender or investor, or to which any such lender or investor is a party, providing for the leasing to us or a subsidiary of any real property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such real property by the lessee will be discontinued) which has been or is to be sold or transferred by us or such subsidiary to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such real property unless either:

such transaction is the substantial equivalent of a mortgage, pledge, encumbrance, lien or security interest which we or any subsidiary would have been permitted to create under the covenant described in Limitation on liens without equally and ratably securing all senior debt securities (including the notes) then outstanding under the Indenture; or

Basic Earnings Per Share:					
Common	$0.49	$0.39		$0.14	$0.17
Class A Common	$0.54	$0.43		$0.16	$0.18
Diluted Earnings Per Share:					
Common	$0.48	$0.38	secure the senior debt securities with any property or assets.		

The Indenture also contains provisions permitting us and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the notes then outstanding, to add any provisions to, or change in any manner or eliminate any of the provisions of, the Indenture or modify in any manner the rights of the Holders of notes; *provided* that neither we nor the Trustee may, without the consent of the Holder of each outstanding note:

extend the stated maturity of the principal of the notes, reduce the principal amount thereof, reduce the rate or extend the time of payment of any interest thereon, reduce or alter the method of computation of any amount payable on redemption thereof, change the coin or currency in which principal, premium, if any, and interest are payable, or impair or affect the right of any Holder to institute suit for the enforcement of any payment thereof; or

reduce the percentage in aggregate principal amount of notes, the consent of the Holders of which is required for any such modification.

Events of default

An Event of Default with respect to the notes is defined as being any one or more of the following events:

(1) failure to pay any installment of interest on such notes for 30 days;

(2) failure to pay the principal of or premium, if any, on any of the notes when due;

(3) failure to perform any other of the covenants or agreements in the notes or in the Indenture that continues for a period of 60 days after being given written notice;

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(4) if a court having jurisdiction enters a bankruptcy order or a judgment, order or decree adjudging SCI bankrupt or insolvent, or an order for relief for reorganization, arrangement, adjustment or composition of or in respect of SCI and the judgment, order or decree remains unstayed and in effect for a period of 60 consecutive days;

(5) if we institute a voluntary case in bankruptcy, or consent to the institution of bankruptcy or insolvency proceedings against us, or file a petition seeking, or seek or consent to, reorganization, arrangement, composition or relief, or consent to the filing of such petition or to the appointment of a receiver, custodian, liquidator, assignee, trustee, sequestrator or similar official of SCI or of substantially all of our property, or we shall make a general assignment for the benefit of creditors; or

(6) default under any bond, debenture, note or other evidence of indebtedness for money borrowed by us or any subsidiary or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by us or any subsidiary (other than non-recourse indebtedness), whether such indebtedness exists on the date of the Indenture or shall thereafter be created, which default shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, or any default in payment of such indebtedness (after the expiration of any applicable grace periods and the presentation of any debt instruments, if required), if the aggregate amount of all such indebtedness which has been so accelerated and with respect to which there has been such a default in payment shall exceed $10,000,000, without each such default and acceleration having been rescinded or annulled within a period of 30 days after there shall have been given to us by the Trustee by registered mail, or to us and the Trustee by the Holders of at least 25 percent in aggregate principal amount of the notes then outstanding, a written notice specifying each such default and requiring us to cause each such default and acceleration to be rescinded or annulled and stating that such notice is a Notice of Default under the Indenture.

If an Event of Default with respect to the notes then outstanding occurs and is continuing, then, and in each and every such case, unless the principal of all of the notes then outstanding shall have already become due and payable, either the Trustee or the Holders of not less than 25 percent in aggregate principal amount of the notes then outstanding, by notice in writing to us (and to the Trustee if given by Holders of notes), may declare the unpaid principal amount of all notes then outstanding and the optional redemption premium, if any, and interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable. This provision, however, is subject to the condition that, if at any time after the unpaid principal amount of the notes shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, we shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all notes and the principal of any and all notes which shall have become due otherwise than by acceleration (with interest on overdue installments of interest to the extent that payment of such interest is enforceable under applicable law and on such principal at the rate borne by such notes to the date of such payment or deposit) and the reasonable compensation, disbursements, expenses and advances of the Trustee, and any and all defaults under the Indenture, other than the nonpayment of such portion of the principal amount of and accrued interest on such notes which shall have become due by acceleration, shall have been cured or shall have been waived in accordance with the Indenture or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Holders of a majority in aggregate principal amount of the notes then outstanding, by written notice to us and to the Trustee, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon. If any Event of Default with respect to us specified in clause (4) or (5) above occurs, the unpaid principal amount and accrued interest on all notes then outstanding shall ipso facto become and be immediately due and payable without any declaration or other act by the Trustee or any Holder of notes.

If the Trustee shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case we, the Trustee and the Holders of such

notes shall be restored respectively to their several positions and rights under the Indenture, and all rights, remedies and powers of SCI, the Trustee and the Holders of such notes shall continue as though no such proceeding had been taken. Except with respect to an Event of Default pursuant to clause (1) or (2) above, the Trustee shall not be charged with knowledge of any Event of Default unless written notice thereof shall have been given to the Trustee by us, a paying agent or any Holder of such notes.

The Indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders of the notes, unless such Holders shall have offered to the Trustee reasonable security or indemnity.

No Holder of notes then outstanding shall have any right by virtue of or by availing of any provision of the Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to the Indenture or the notes or for the appointment of a receiver or trustee or similar official, or for any other remedy under the Indenture or under the notes, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, and unless the Holders of not less than 25 percent in aggregate principal amount of such notes then outstanding shall have made written request to the Trustee to institute such action, suit or proceeding in its own name as Trustee and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding. Notwithstanding any other provisions in the Indenture, however, the right of any Holder of notes to receive payment of the principal of, premium, if any, and interest on such notes, on or after the respective due dates expressed in such notes, or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Holder.

The Holders of at least a majority in aggregate principal amount of the notes then outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to such notes; *provided* that (subject to certain exceptions) the Trustee shall have the right to decline to follow any such direction if the Trustee shall determine upon advice of counsel that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability. The Holders of at least 66⅔% in aggregate principal amount of the notes then outstanding may on behalf of the Holders of all notes waive any past default or Event of Default and its consequences except a default in the payment of premium, if any, or interest on, or the principal of, such notes. Upon any such waiver we, the Trustee and the Holders of all notes shall be restored to our and their former positions and rights under the Indenture, respectively; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default shall have been waived as permitted, said default or Event of Default shall for all purposes of the notes and the Indenture be deemed to have been cured and to be not continuing.

The Trustee shall, within 90 days after the occurrence of a default, with respect to the notes then outstanding, mail to all Holders of such notes, as the names and the addresses of such Holders appear upon the applicable notes register, notice of all defaults known to the Trustee with respect to such notes, unless such defaults shall have been cured before the giving of such notice (the term defaults for the purpose of these provisions being hereby defined to be the events specified in clauses (1), (2), (3), (4), (5) and (6) above, not including periods of grace, if any, provided for therein and irrespective of the giving of the written notice specified in said clause (3) or (6) but in the case of any default of the character specified in said clause (3) or (6) no such notice to Holders of the notes shall be given until at least 60 days after the giving of written notice thereof to us pursuant to said clause (3) or (6), as the case may be); *provided* that, except in the case of default in the payment of the principal of, premium, if any, or interest on any of

the notes, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of such notes.

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We are required to furnish to the Trustee annually a statement as to the fulfillment by us of all of our obligations under the Indenture.

Governing law

The Indenture and the notes are governed by the laws of the State of Texas.

Definitions

For all purposes of the Indenture, the following terms shall have the respective meanings set forth below (except as otherwise expressly provided or unless the context otherwise clearly requires). All accounting terms used in the Indenture and herein and not expressly defined shall have the meanings assigned to such terms in accordance with generally accepted accounting principles, and the term generally accepted accounting principles means such accounting principles as are generally accepted at the Issue Date.

Adjusted Consolidated Net Tangible Assets means, at the time of determination, the aggregate amount of total assets included in SCI s most recent quarterly or annual consolidated balance sheet prepared in accordance with generally accepted accounting principles, net of applicable reserves reflected in such balance sheet, after deducting the following amounts reflected in such balance sheet:

goodwill;

deferred charges and other assets;

preneed funeral receivables and trust investments;

preneed cemetery receivables and trust investments;

cemetery perpetual care trust investments;

current assets of discontinued operations;

non-current assets of discontinued operations;

other like intangibles; and

current liabilities (excluding, however, current maturities of long-term debt).

Adjusted Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Attributable Indebtedness, when used with respect to any sale and leaseback transaction, means, at the time of determination, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of property taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such transaction (including any period for which such lease has been extended). In the case of any lease that is terminable by the lessee upon the payment of a penalty or other termination payment, such amount shall be the lesser of the amount determined assuming termination upon the first date such lease may be terminated (in which case the amount shall also include the amount of the penalty or termination payment, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the amount determined assuming no such termination.

Capital Stock of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, but excluding any debt securities convertible into such equity.

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Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity most nearly equal to May 15, 2019 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of May 15, 2019.

Comparable Treasury Price means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Quotations.

Funded Debt means indebtedness for money borrowed which by its terms matures at or is extendible or renewable at the option of the obligor to a date more than 12 months after the date of the creation of such indebtedness.

Holder means, in the case of any note, the Person in whose name such note is registered in the security register kept by the Company for that purpose in accordance with the terms of the Indenture.

Issue Date means August 18, 2015.

Person means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, estate, unincorporated organization or government or any agency or political subdivision thereof.

Prospectus Supplement means the prospectus supplement relating to the issuance of the notes, dated August 10, 2015.

Quotation Agent means the Reference Treasury Dealer appointed by SCI.

Reference Treasury Dealer means each of Wells Fargo Securities, LLC (and its successors) and any other nationally recognized investment banking firm that is a primary U.S. government securities dealer specified from time to time by SCI.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by SCI, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to SCI by such Reference Treasury Dealer as of 5:00 p.m., New York time, on the third business day preceding the redemption date.

Trustee means The Bank of New York Mellon Trust Company, N.A., and any successor trustee.

Underwriters means Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, SunTrust Robinson Humphrey, Inc., Scotia Capital (USA) Inc., BBVA Securities Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, Fifth Third Securities, Inc., Raymond James & Associates, Inc. and Mitsubishi UFJ Securities (USA), Inc.

Voting Stock of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

Paying agent and registrar for the notes

The Trustee will initially act as paying agent and registrar. We may change the paying agent or registrar without prior notice to the Holders of the notes, and we may act as paying agent or registrar.

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Transfer and exchange

A Holder may transfer or exchange notes in accordance with the Indenture. The registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and we may require a Holder to pay any taxes and fees required by law or permitted by the Indenture.

The registered Holder of a note will be treated as its owner for all purposes.

Notices

Notices to Holders of the notes will be given by mail to the addresses of such Holders as they appear in the security register.

No personal liability of officers, directors or stockholders

No director, officer or stockholder, as such, of SCI will have any personal liability in respect of our obligations under the Indenture or the notes by reason of his, her or its status as such.

Concerning the trustee

The Bank of New York Mellon Trust Company, N.A. is the Trustee under the Indenture.

The Indenture contains certain limitations on the right of the Trustee, should it become our creditor, to obtain payment of claims in certain cases, or to realize for its own account on certain property received in respect of any such claim as security or otherwise. The Trustee is permitted to engage in certain other transactions. However, if it acquires any conflicting interest within the meaning of the Indenture when a default has occurred and is continuing, it must eliminate the conflict within 90 days, apply to the SEC for permission to continue as Trustee or resign.

Book-entry delivery and form

The notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, DTC and registered in the name of the Cede & Co., DTC s nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through DTC, Clearstream Banking, société anonyme, Luxembourg (Clearstream), or Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear) if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers securities accounts in Clearstream s and Euroclear s names on the books of their respective depositaries. Clearstream s and Euroclear s depositaries will hold interests in customers securities accounts in the depositaries names on the books of DTC. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

DTC has advised us that it is (1) a limited purpose trust company organized under the laws of the State of New York, (2) a banking organization within the meaning of the New York Banking Law, (3) a member of the Federal Reserve System, (4) a clearing corporation within the meaning of the Uniform Commercial Code, as amended and (5) a clearing agency registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and

delivery of certificates. DTC s participants include securities brokers and dealers, including the underwriters, banks and trust companies, clearing corporations and certain other organizations. Indirect access to DTC s system is also available to other entities such as banks, brokers, dealers and trust companies, referred to as indirect participants, that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities held by or on behalf of DTC only through participants or indirect participants.

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According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind. We make no representation as to the accuracy or completeness of such information.

Clearstream has advised that it is incorporated under the laws of the Grand Duchy of Luxembourg as a professional depositary. Clearstream holds securities for its participating organizations (Clearstream participants). Clearstream facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, eliminating the need for physical movement of certificates. Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depositary, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (CSSF). Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

Distributions, to the extent received by the U.S. Depositary for Clearstream, with respect to the notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Euroclear has advised that it was created in 1968 to hold securities for its participants (Euroclear participants) and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and eliminating any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator) under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the Cooperative).

All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. The Euroclear Operator has advised us that it is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions, to the extent received by the U.S. Depositary for Euroclear, with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

If (1) we notify the trustee in writing that DTC, Euroclear or Clearstream is no longer willing or able to act as a depositary or clearing system for the notes or DTC ceases to be registered as a clearing agency under the Exchange Act, and a successor depositary or clearing system is not appointed within 90 days of this notice or cessation, (2) we, at our option, notify the trustee in writing that we elect to cause the issuance of the notes in definitive form under the indenture or (3) upon the occurrence and continuation of an event of default under the indenture with respect to the notes, then, upon surrender by DTC of the global notes, certificated notes will be issued to each person that DTC identifies as the beneficial owner of the notes represented by the global notes. Upon any such issuance, the trustee is required to register the certificated notes in the name of the person or persons or the nominee of any of these persons and cause the same to be delivered to these persons. Neither we nor the trustee shall be liable for any delay by DTC or any participant or indirect participant in identifying the beneficial owners of the related notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued.

Title to book-entry interests in the global notes will pass by book-entry registration of the transfer within the records of DTC, Clearstream or Euroclear in accordance with their respective procedures. Book-entry interests in the global notes may be transferred within DTC in accordance with procedures established for this purpose by DTC. Book-entry interests in the notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Transfers of book-entry interests in the notes between Euroclear and Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Global clearance and settlement procedures

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC s rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with the rules and procedures and within the established deadlines (Brussels time) of the system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time-zone differences, credits of notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent notes settlement processing and dated the business day following the DTC settlement date. Credits or any transactions of the type described above settled during subsequent notes settlement processing will be reported to the relevant Euroclear or Clearstream participants on the business day that the processing occurs. Cash received in Clearstream or Euroclear as a result of sales of the notes by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform these procedures. The foregoing procedures may be changed or discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective

participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

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Material U.S. federal income tax considerations

The following is a general discussion of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes by initial holders of the notes, but does not purport to be a complete analysis of all the potential tax considerations. This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the Code), the Treasury regulations thereunder and administrative rulings and court decisions, all as of the date hereof, and all of which are subject to change, possibly retroactively. Unless otherwise stated, this discussion is limited to the tax consequences to those persons who are original beneficial owners of the notes (Holders) who purchase notes at their original issue price for cash and who hold such notes as capital assets within the meaning of Section 1221 of the Code. This discussion does not consider any specific facts or circumstances that may apply to a particular Holder (including, for example, a financial institution, a broker-dealer, an insurance company, a tax-exempt organization, a partnership or other pass-through entity, an expatriate, a real estate investment trust, a regulated investment company, or a person that holds securities as part of a straddle, hedge, conversion transaction, or other integrated investment). This discussion also does not address the tax consequences to U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar. In addition, this discussion does not address U.S. federal alternative minimum tax or estate and gift tax consequences or any aspect of state, local or foreign taxation. We have not sought any ruling from the Internal Revenue Service (the IRS) with respect to the statements made and the conclusions reached in this discussion, and we cannot assure you that the IRS will agree with such statements and conclusions.

For purposes of this discussion, a U.S. Holder means a Holder that is, for U.S. federal income tax purposes (1) an individual who is a citizen or resident of the United States, (2) a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia, (3) an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source, or (4) a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or if a valid election to be treated as a U.S. person is in effect with respect to such trust. A Non-U.S. Holder is a Holder that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes.

A partnership for U.S. federal income tax purposes is not subject to income tax on income derived from holding the notes. A partner of a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) may be subject to tax on such income under rules similar to the rules for U.S. Holders or Non-U.S. Holders depending on whether (i) the partner is a U.S. person and (ii) the partnership is engaged in a U.S. trade or business to which income or gain from the notes is effectively connected. If you are a partner of a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) acquiring the notes, you should consult your tax advisor about the tax consequences of acquiring, holding and disposing of the notes.

In certain circumstances, we may be obligated to pay amounts in excess of stated principal on the notes or retire the notes before their stated maturity dates. Notwithstanding these possibilities, we do not believe that the notes are contingent payment debt instruments for U.S. federal income tax purposes, and, consequently, we do not intend to treat the notes as contingent payment debt instruments. If, notwithstanding our view, the notes were treated as contingent payment debt instruments, a Holder subject to U.S. federal income taxation generally could be required to accrue ordinary income at a rate in excess of the stated interest rate on such notes and to treat as ordinary income (rather than capital gain) any gain recognized on a sale or other taxable disposition of such notes. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR INDEPENDENT TAX ADVISORS REGARDING THE U.S. FEDERAL TAX CONSEQUENCES OF ACQUIRING, HOLDING, AND

DISPOSING OF THE NOTES, AS WELL AS ANY TAX CONSEQUENCES THAT MAY ARISE UNDER THE LAWS OF ANY FOREIGN, STATE, LOCAL, OR OTHER TAXING JURISDICTION.

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Qualified Reopening

If, as anticipated, the public offering price of the notes indicated on the cover of this prospectus supplement is greater than 98%, we intend to treat the notes offered hereby as issued with no more than *de minimis* original issue discount (OID) and thus pursuant to a qualified reopening of the 5.375% Senior Notes due 2024 that were issued on May 12, 2014 with an issue price of 100% (the Existing Notes). For U.S. federal income tax purposes, debt instruments issued in a qualified reopening are deemed to be part of the same issue as the original debt instruments. Under the treatment described in this paragraph, all of the notes offered hereby will be deemed to have the same issue date and the same issue price as the Existing Notes. Further, under the *de minimis* OID rule, the amount of OID is treated as zero and any gain attributable to *de minimis* OID on a sale, exchange or other disposition of the notes is treated as capital gain if the notes are held as capital assets.

U.S. federal income taxation of U.S. holders

Payments of interest

Interest on the notes (other than Pre-Issuance Accrued Stated Interest, as defined below) generally will be taxable to a U.S. Holder as ordinary interest income at the time it is accrued or is received in accordance with the U.S. Holder s method of accounting for tax purposes.

Pre-Issuance accrued interest

A portion of the price paid for the notes offered hereby will be allocable to unpaid stated interest that accrued prior to the date such notes are sold pursuant to this offering (the Pre-Issuance Accrued Stated Interest). We intend to treat a portion of the first stated interest payment on the notes offered hereby in an amount equal to the Pre-Issuance Accrued Stated Interest as a return of the Pre-Issuance Accrued Stated Interest and not as interest amount payable on such notes. Amounts treated as a return of the Pre-Issuance Accrued Stated Interest should not be taxable to a U.S. Holder when received but will reduce the U.S. Holder s tax basis in the notes by a corresponding amount. Prospective investors should consult their own tax advisors regarding the Pre-Issuance Accrued Stated Interest.

Amortizable bond premium

If, immediately after purchasing a note, a U.S. Holder s tax basis in the note (taking into account any reduction in basis equal to the Pre-Issuance Accrued Stated Interest) exceeds the note s stated principal amount, the note will be treated as having been acquired with bond premium. A U.S. Holder may elect to amortize such bond premium, in which case the amount required to be included in the U.S. Holder s income each year with respect to interest on the note will be reduced by the amount of amortizable bond premium allocable (based on the note s yield to maturity) to that year. However, because the notes may be redeemed by us prior to maturity at a premium, special rules apply that may reduce, defer or eliminate the amount of bond premium that a U.S. Holder may amortize with respect to the notes. If a U.S. Holder makes the election to amortize bond premium, such U.S. Holder will be required to reduce its adjusted tax basis in a note by the amount of the bond premium amortized. Any election to amortize bond premium shall apply to all debt instruments (other than debt instruments the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. If a U.S. Holder does not elect to amortize the bond premium, the bond premium will decrease the gain or increase the loss that would otherwise be recognized on a disposition of the note.

Disposition

In general, a U.S. Holder will recognize gain or loss upon the sale, exchange, redemption or other taxable disposition of the notes measured by the difference between (1) the amount of cash and fair market value of property received (except to the extent such cash or property is attributable to accrued but unpaid interest, which is treated as interest as described above) and (2) the U.S. Holder s adjusted tax basis in the notes. A U.S. Holder s adjusted tax basis in the notes generally will equal the cost of the notes to the U.S. Holder (excluding any amount attributable to Pre-Issuance Accrued Stated Interest), reduced by any principal payments received by such U.S. Holder and any amortized bond premium. Any gain or loss will generally be long-term capital gain or loss if such notes had been held by such U.S. Holder for more than one year at the time of such sale, exchange, redemption or other taxable disposition. In the case of non-corporate U.S. Holders, long-term capital gain is subject to preferential rates of U.S. federal income tax. The deductibility of capital losses by U.S. Holders is subject to limitations.

Additional Medicare tax on unearned income

U.S. Holders that are individuals, estates or certain trusts are subject to an additional 3.8% Medicare tax on unearned income. The additional Medicare tax applies to the lesser of (1) net investment income (in the case of certain individuals) or undistributed net investment income (in the case of estates and trusts) and (2) the excess of modified adjusted gross income (in the case of individuals) or adjusted gross income (in the case of certain estates and trusts) for the relevant taxable year over a certain threshold. Among other items, net investment income generally includes gross income from interest and net gain from the disposition of property such as the notes, less certain deductions. U.S. Holders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in the notes.

U.S. federal income taxation of non-U.S. holders

Payments of interest

Subject to the discussions of Sections 1471 through 1474 of the Code, provisions commonly referred to as FATCA, and backup withholding below, payments of interest on the notes to a Non-U.S. Holder will not be subject to U.S. federal withholding tax, *provided* that:

- the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

- the Non-U.S. Holder is not a bank receiving interest pursuant to a loan agreement entered into in the ordinary course of its trade or business;

- the Non-U.S. Holder is not a controlled foreign corporation that is related to us through stock ownership; and

- either (a) the beneficial owner of the notes certifies to us or our agent on IRS Form W-8BEN or IRS Form W-8BEN-E (or a suitable substitute form or successor form), under penalties of perjury, that it is not a U.S. person (as defined in the Code) and provides its name and address, or (b) a securities clearing organization,

bank or other financial institution that holds customers securities in the ordinary course of its trade or business (a Financial Institution) holds the notes on behalf of the beneficial owner and certifies to us or our agent, under penalties of perjury, that such a certification has been received from the beneficial owner by it, or by a Financial Institution between it and the beneficial owner, and furnishes us with a copy thereof.

The requirements set forth in the bulleted clauses above are known as the Portfolio Interest Exception.

If a Non-U.S. Holder cannot satisfy the requirements of the Portfolio Interest Exception, payments of interest made to such Non-U.S. Holder will be subject to 30% U.S. federal withholding tax unless the beneficial owner of the note provides us or our agent, as the case may be, with a properly executed:

IRS Form W-8BEN or IRS Form W-8BEN-E (or successor form) claiming, under penalties of perjury, an exemption from, or reduction in, withholding under a tax treaty (a Treaty Exemption), or

IRS Form W-8 ECI (or successor form) stating that interest paid on the note is not subject to withholding tax because it is effectively connected with a U.S. trade or business of the beneficial owner (in which case such interest will be subject to regular graduated U.S. tax rates described below).

The certification requirement described above also may require the Non-U.S. Holder to provide its U.S. taxpayer identification number.

Each Non-U.S. Holder is urged to consult its own independent tax advisor about the specific methods for satisfying these requirements. A claim for exemption will not be valid if the person receiving the applicable form has actual knowledge or reason to know that statements on the form are false.

If interest on the notes is effectively connected with a U.S. trade or business of the Non-U.S. Holder (and if required by an applicable treaty, attributable to a U.S. permanent establishment), the Non-U.S. Holder, although exempt from the withholding tax described above (*provided* that the certification requirements described above are satisfied), will be subject to U.S. federal income tax on such interest on a net income basis in the same manner as if it were a U.S. Holder. In addition, if such Non-U.S. Holder is a foreign corporation and interest on the note is effectively connected with its U.S. trade or business (and if required by an applicable treaty, attributable to a U.S. permanent establishment), such Holder may be subject to a branch profits tax equal to 30% (unless reduced by treaty) in respect of such interest.

Disposition

Except with respect to accrued and unpaid interest and subject to the discussions of FATCA and backup withholding below, a Non-U.S. Holder will not be subject to U.S. federal income tax on gain realized on the sale, exchange or other disposition of the notes, unless (a) that Holder is an individual who is present in the United States for 183 days or more during the taxable year and certain other requirements are met or (b) the gain is effectively connected with the conduct of a U.S. trade or business of the Holder (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or fixed base). Accrued and unpaid interest realized on a sale, exchange or other disposition of a note will be subject to U.S. federal income tax to the extent interest would have been subject to U.S. federal income tax as described under U.S. federal income taxation of Non-U.S. Holders Payments of interest.

Information reporting and backup withholding

We will, where required, report to Holders and the IRS the amount of any interest paid on the notes in each calendar year and the amounts of U.S. federal tax withheld, if any, with respect to payments. A noncorporate U.S. Holder may be subject to information reporting and to backup withholding at a current rate of 28% with respect to payments of principal and interest made on the notes, or on proceeds of the disposition of the notes before maturity, unless that U.S. Holder provides a correct taxpayer identification number or proof of an applicable exemption, and otherwise complies with applicable requirements of the information reporting and backup withholding rules.

Under the Treasury regulations, backup withholding and information reporting generally will not apply to payments made by us or any agent thereof (in its capacity as such) to a Non-U.S. Holder if such Non-U.S. Holder has provided the required certification that it is not a U.S. person on an IRS Form W-8BEN or IRS Form W-8BEN-E or has otherwise established an exemption (*provided* that neither SCI nor its agent has actual knowledge that such Holder is a U.S. person or that the conditions of any exemption are not in fact satisfied).

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Payments of the proceeds from the sale of the notes to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except if the broker is (1) a U.S. person, (2) a controlled foreign corporation, (3) a foreign person 50% of more of whose gross income for certain periods is effectively connected with a U.S. trade or business or (4) a foreign partnership, if at any time during its taxable year, one or more of its partners are U.S. persons who in the aggregate hold more than 50% of the income or capital interest in the partnership or if, at any time during its taxable year, the foreign partnership is engaged in a U.S. trade or business, unless the Non-U.S. Holder establishes an exception as specified in the Treasury regulations regarding backup withholding and information reporting, as applicable.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules will be refunded or credited against the Holder s U.S. federal income tax liability, *provided* that the required information is furnished to the IRS in a timely manner.

FATCA

FATCA, when applicable, will impose a U.S. federal withholding tax of 30% on certain types of payments, including payments of U.S. source interest and gross proceeds from the sale of certain securities producing such U.S. source interest made to (i) foreign financial institutions unless they agree to collect and disclose to the IRS information regarding their direct and indirect U.S. account holders or (ii) certain non-financial foreign entities unless they certify that they do not have any substantial United States owners (as defined in the Code) or furnish identifying information regarding each substantial United States owner (generally by providing an IRS Form W-8BEN-E). In certain circumstances, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from these rules, which exemption is typically evidenced by providing appropriate documentation (such as an IRS Form W-8BEN-E). In addition, an intergovernmental agreement between the United States and the jurisdiction of a foreign financial institution may modify these rules.

The withholding obligations described above generally will apply to payments of interest on the notes, and to payments of gross proceeds from a sale or other disposition of the notes occurring on or after January 1, 2017. You are urged to consult your own tax advisors regarding FATCA and the application of these requirements to your investment in the notes.

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Underwriting

Subject to the terms and conditions stated in the underwriting agreement between us and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the underwriters named below, we have agreed to sell to each underwriter, and each underwriter has severally agreed to purchase from us, the principal amount of notes that appears opposite its name in the table below:

Underwriter		Principal amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$	105,000,000
J.P. Morgan Securities LLC	$	60,000,000
Wells Fargo Securities, LLC	$	60,000,000
SunTrust Robinson Humphrey, Inc.	$	18,000,000
Scotia Capital (USA) Inc.	$	12,000,000
BBVA Securities Inc.	$	12,000,000
BB&T Capital Markets, a division of BB&T Securities, LLC	$	8,250,000
Fifth Third Securities, Inc.	$	8,250,000
Raymond James & Associates, Inc.	$	8,250,000
Mitsubishi UFJ Securities (USA), Inc.	$	8,250,000
Total	$	300,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters have agreed to purchase all of the notes if any of them are purchased.

The underwriters initially propose to offer the notes to the public at the public offering price that appears on the cover page of this prospectus supplement. The underwriters may also offer the notes to selected dealers at the public offering price. After the initial offering, the underwriters may change the public offering price and any other selling terms. The underwriters may offer and sell notes through certain of their affiliates.

The following table summarizes the compensation we will pay.

	Per note	Total
Underwriting discount and commissions paid by us	1.750%	$ 5,250,000

In the underwriting agreement, we have agreed that:

- We will not offer or sell any of our debt securities (other than the notes) for a period of 90 days after the date of this prospectus supplement without the prior consent of Merrill, Lynch, Pierce, Fenner & Smith Incorporated.

We will pay our expenses related to the offering, which we estimate will be $830,000.

We will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or contribute to payments that the underwriters may be required to make in respect of those liabilities.

The notes will trade interchangeably with the $550 million aggregate principal amount of our 5.375% Senior Notes due 2024 that we have previously issued, and there is currently no established trading market for the notes. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system. The underwriters have advised us that they intend to make a market in the notes, but they are not obligated to do so. The underwriters may discontinue any market making in the notes at any time in their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the notes, that you will be able to sell your notes at a particular time or that the prices that you receive when you sell will be favorable.

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In connection with the offering of the notes, the underwriters may engage in overallotment, stabilizing transactions and syndicate covering transactions in accordance with Regulation M under the Exchange Act. Overallotment involves sales in excess of the offering size, which creates a short position for the underwriters. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the underwriters engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Certain of the underwriters and their respective affiliates have provided, and may in the future provide, various financial advisory, investment banking and commercial banking services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses. The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of us or our affiliates. If the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swap or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, SunTrust Robinson Humphrey, Inc., Scotia Capital (USA) Inc., BBVA Securities Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, Fifth Third Securities, Inc., Raymond James & Associates, Inc. and Mitsubishi UFJ Securities (USA), Inc. or their affiliates are lenders under our existing senior credit facilities and will receive a portion of the amounts repaid under our Revolving Facility with the proceeds of the notes. Additionally, an affiliate of J.P. Morgan Securities LLC is the administrative agent under our existing senior credit facilities. Certain of the underwriters or their affiliates are holders of the 2016 notes to be redeemed with the net proceeds of this offering as described under Use of Proceeds, and therefore such underwriters or their affiliates will receive a portion of the net proceeds of this offering.

It is expected that delivery of the notes will be made, against payment of the notes, on or about August 18, 2015, which will be the sixth business day in the United States following the date of pricing of the notes. Under Rule 15c6-1 of the Exchange Act, purchases or sales of securities in the secondary market generally are required to settle within three business days (this settlement cycle being referred to as T+3), unless the parties to any such transaction expressly agree otherwise. Accordingly, purchasers of the notes who wish to trade the notes on the date of this prospectus supplement or the next two succeeding business days, will be required, because the notes will initially settle within six business days (T+6) in the United States, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade on the date of this prospectus supplement or the next two succeeding business days should consult their own legal advisors.

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Offering restrictions

European Economic Area. In relation to each Member State of the European Economic Area, no offer of notes which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Representative for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes referred to in (a) to (c) above shall result in a requirement for the Company or any Representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This prospectus has been prepared on the basis that any offer of notes in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Member State of notes which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or the Representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the Representative have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or the Representative to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive that Relevant Member State, the expression Prospectus Directive means Directive 2003/71/EC (as amended) and includes any relevant implementing measure each Member State.

The above selling restriction is in addition to the selling restriction set out below.

United Kingdom. This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investors) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order), (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order or (iii) (c) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as relevant persons). This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not

act or rely on this document or any of its contents.

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Legal matters

The validity of the notes offered hereby and certain other legal matters in connection with the sale of the notes will be passed upon for us by Shearman & Sterling LLP, New York, New York, Locke Lord LLP, Houston, Texas, and Greg Sangalis, Esq., general counsel to the Company. Certain legal matters relating to the notes offered hereby will be passed upon for the underwriters by Cravath, Swaine & Moore LLP, New York, New York.

Experts

The financial statements and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) incorporated in this Prospectus Supplement by reference to the Annual Report on Form 10-K for the year ended December 31, 2014 have been so incorporated in reliance on the report (which contains an adverse opinion on the effectiveness of internal control over financial reporting) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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Where you can find more information

We are a reporting company and file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these reports, proxy statements and other information at the SEC s public reference room located at 100 F Street, N.E., Washington, DC 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference rooms. Our SEC filings are also available at the SEC s website at http://www.sec.gov. Please note that the SEC s website is included in this prospectus supplement as an inactive textual reference only. The information contained on the SEC s website is not incorporated by reference into this prospectus supplement and should not be considered to be a part of this prospectus supplement, except as described in Incorporation of certain information by reference.

Incorporation of certain information by reference

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that we file with the SEC in the future and incorporate by reference in this prospectus supplement and the accompanying prospectus automatically updates and supersedes previously filed information, as applicable. In all cases, you should rely on later information over different information included in this prospectus supplement and the accompanying prospectus.

We incorporate by reference the documents listed below and all future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the termination of this offering, except to the extent that any information contained in such filings is deemed furnished in accordance with the Exchange Act and applicable SEC rules:

- Annual Report on Form 10-K for the year ended December 31, 2014 (including those sections incorporated by reference from our Proxy Statement filed April 1, 2015).

- Our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015 and June 30, 2015.

- Current Reports on Form 8-K filed with the SEC on March 17, 2015 and May 18, 2015 (to the extent filed and not furnished).

You may obtain a copy of these filings at no cost, by writing or telephoning us as follows:

Service Corporation International

Attention: General Counsel

1929 Allen Parkway

Houston, Texas 77019

(713) 522-5141

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Prospectus

Service Corporation International

Debt Securities

Guarantees of Debt Securities

We may offer and sell from time to time our debt securities and/or our guarantees of debt securities issued by one or more of our subsidiaries in one or more offerings pursuant to this prospectus. The debt securities may consist of debentures, notes or other types of debt. The guarantees of debt securities may consist of guarantees of debentures, notes or other types of debt issued by one or more of our subsidiaries.

We will provide the specific terms and manner of any offering in a supplement to this prospectus. Any prospectus supplement may add, update, or change information contained in this prospectus. You should carefully read this prospectus and the applicable prospectus supplement as well as the documents incorporated or deemed to be incorporated in this prospectus or the applicable prospectus supplement before you purchase any of the securities offered hereby.

The names of any underwriters, dealers, or agents involved in the sale of our securities and their compensation will be described in the applicable prospectus supplement. Our net proceeds from the sale of our securities also will be described in the applicable prospectus supplement.

Our common stock is listed on the New York Stock Exchange under the symbol SCI. Unless we state otherwise in a prospectus supplement, we will not list any securities sold by us under this prospectus and any prospectus supplement on any securities exchange.

Investing in these securities involves certain risks. You should consider the risks that we have described in this prospectus and in the accompanying prospectus supplement before you invest. See Risk Factors on page 1 of this prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS OR ANY ACCOMPANYING PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is June 6, 2013.

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About this prospectus

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. Under this shelf process, we may offer and sell our securities from time to time in one or more offerings.

This prospectus provides you with a general description of the debt securities and guarantees of debt securities we may offer. Each time that we sell securities under this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may add, update, or change information contained in this prospectus. You should read both this prospectus and the prospectus supplement related to any offering as well as additional information described under the heading *Where you can find more information* and *Incorporation of certain information by reference.*

We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus or any accompanying prospectus supplement or any free writing prospectus. The information contained in this prospectus and in any accompanying prospectus supplement is accurate only as of the date thereof as set forth on their covers, regardless of the time of delivery of this prospectus or any prospectus supplement or of any sale of our debt securities and/or our guarantees of debt securities. Our business, financial condition, results of operations, and prospects may have changed since those dates. You should rely only on the information contained or incorporated by reference in this prospectus or any accompanying prospectus supplement or any free writing prospectus. To the extent there is a conflict between the information contained in this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement, provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date-for example, a document incorporated by reference into this prospectus or any prospectus supplement-the statement in the document having the later date modifies or supersedes the earlier statement. We are offering to sell, and seeking offers to buy, our securities only in jurisdictions where offers and sales are permitted.

In this prospectus, the terms SCI, the Company, we, our, and, us refer to Service Corporation International and i subsidiaries, unless otherwise specified.

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Our company

Service Corporation International (SCI) is North America s largest provider of deathcare products and services, with a network of funeral homes and cemeteries unequalled in geographic scale and reach. At March 31, 2013, we operated 1,437 funeral service locations and 374 cemeteries (including 213 combination locations) in North America, which are geographically diversified across 43 states, eight Canadian provinces and the District of Columbia. Our funeral segment also includes the operations of 12 funeral homes in Germany that we intend to exit when economic values and conditions are conducive to a sale. Our funeral service and cemetery operations consist of funeral service locations, cemeteries, funeral service/cemetery combination locations, crematoria, and related businesses. We sell cemetery property and funeral and cemetery products and services at the time of need and on a preneed basis.

We were incorporated in Texas in July of 1962. Our principal executive offices are located at 1929 Allen Parkway, Houston, Texas 77019. Our telephone number at that address is (713) 522-5141. Our website is located at www.sci-corp.com. Other than as described in *Where you can find more information* and *Incorporation of certain information by reference* below, the information on, or that can be accessed through, our website is not incorporated by reference in this prospectus or any prospectus supplement, and you should not consider it to be a part of this prospectus or any prospectus supplement. Our website address is included as an inactive textual reference only.

Risk factors

Investing in our securities involves a high degree of risk. Please see the risk factors described under the caption *Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 on file with the SEC, as updated by our subsequent quarterly reports on Form 10-Q and certain other filings we make with the SEC, which are incorporated by reference in this prospectus and in any accompanying prospectus supplement. Before making an investment decision, you should carefully consider these risks as well as information we include or incorporate by reference in this prospectus and in any accompanying prospectus supplement. The risks and uncertainties we have described are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations.

Forward-looking statements

This prospectus and the documents incorporated by reference into this prospectus contain statements that are forward-looking statements made in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. These statements may be accompanied by words such as believe, estimate, project, expect, anticipate, or predict, that convey the uncertainty of future events or outcomes. These statements are based on assumptions that we believe are reasonable; however, many important factors could cause our actual results in the future to differ materially from the forward-looking statements made herein and in any other documents or oral presentations made by us, or on our behalf. Important factors, which could cause actual results to differ materially from those in forward-looking statements include, among others, the following:

- Our affiliated funeral and cemetery trust funds own investments in equity securities, fixed income securities, and mutual funds, which are affected by market conditions that are beyond our control.

- We may be required to replenish our affiliated funeral and cemetery trust funds in order to meet minimum funding requirements, which would have a negative effect on our earnings and cash flow.

Our ability to execute our strategic plan depends on many factors, some of which are beyond our control.

Our credit agreements contain covenants that may prevent us from engaging in certain transactions.

If we lost the ability to use surety bonding to support our preneed funeral and preneed cemetery activities, we may be required to make material cash payments to fund certain trust funds.

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The funeral home and cemetery industry continues to be increasingly competitive.

Increasing death benefits related to preneed funeral contracts funded through life insurance or annuity contracts may not cover future increases in the cost of providing a price-guaranteed funeral service.

The financial condition of third-party insurance companies that fund our preneed funeral contracts may impact our future revenues.

Unfavorable results of litigation, including currently pending class action cases concerning cemetery or burial practices, could have a material adverse impact on our financial statements.

Unfavorable publicity could affect our reputation and business.

If the number of deaths in our markets declines, our cash flows and revenues may decrease.

The continuing upward trend in the number of cremations performed in North America could result in lower revenues and gross profit.

Our funeral home and cemetery businesses are high fixed-cost businesses.

Regulation and compliance could have a material adverse impact on our financial results.

Increased costs, including potential increased health care costs, may have a negative impact on earnings and cash flows.

Cemetery burial practice claims could have a material adverse impact on our financial results.

A number of years may elapse before particular tax matters, for which we have established accruals, are audited and finally resolved.

Declines in overall economic conditions beyond our control could reduce future potential earnings and cash flows and could result in future goodwill impairments and/or other intangible assets.

Other factors are discussed under the heading Risk Factors and elsewhere in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q filed with the SEC. We also may include or incorporate by reference in each prospectus supplement additional important factors that we believe could cause actual results or events to differ materially from the forward-looking statements that we make.

Should one or more known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated, projected, or implied by these forward-looking statements. You should consider these factors and the other cautionary statements made in this prospectus, any prospectus supplement, or the documents we incorporate by reference in this prospectus as being applicable to all related forward-looking statements wherever they appear in this prospectus, any prospectus supplement or the documents incorporated by reference. While we may elect to update forward-looking statements wherever they appear in this prospectus, any prospectus supplement, or the documents incorporated by reference, we do not assume, and specifically disclaim, any obligation to do so, whether as a result of new information, future events, or otherwise.

Use of proceeds

Except as may be otherwise set forth in any prospectus supplement accompanying this prospectus, we intend to use the net proceeds we receive from sales of our securities offered hereby for general corporate purposes, which may include the repayment of indebtedness outstanding from time to time and for working capital, capital expenditures, acquisitions, and repurchases of our securities. Pending these uses, the net proceeds may also be temporarily invested in short-term securities. Any specific allocations of the proceeds to a particular purpose that has been made at the date of any prospectus supplement will be described therein.

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Ratio of earnings to fixed charges

The following table sets forth our ratios of earnings to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus.

Three months ended March 31,		Twelve months ended December 31,				
2013	**2012**	**2012**	**2011**	**2010**	**2009**	**2008**
3.70	3.01	2.72	2.60	2.62	2.47	2.15

For the purposes of the ratio of earnings to fixed charges, earnings consist of pretax income from continuing operations before adjustment for minority interest, plus fixed charges and the amortization of capitalized interest less interest capitalized. Fixed charges consist of interest expense, whether expensed or capitalized, amortization of debt issuance costs, capitalized interest, and one-third of rental expense, which we deem to be a reasonable estimate of the portion of our rental expense that is attributable to interest.

Description of debt securities

The debt securities covered by this prospectus will be issued under our Senior Indenture dated February 1, 1993, as amended and supplemented from time to time, between us and The Bank of New York Mellon Trust Company, N.A., as successor trustee to The Bank of New York, as trustee (the indenture), a copy of which has been incorporated into the registration statement of which this prospectus is a part. The particular terms of the debt securities offered will be outlined in a prospectus supplement. The discussion of such terms in the prospectus supplement is subject to, and qualified in its entirety by, reference to all provisions of the indenture and any applicable supplemental indenture.

Description of guarantees of debt securities

The guarantees of debt securities covered by this prospectus will consist of our guarantees for the benefit of holders of specified debt securities issued by one or more of our subsidiaries. The particular terms of the guarantees will be outlined in a prospectus supplement. The discussion of such terms in the prospectus supplement is subject to, and qualified in its entirety by, reference to all provisions of the applicable supplemental indenture or other instrument pursuant to which the guarantee is issued.

Plan of distribution

We may offer and sell these securities through one or more underwriters, dealers or agents, or directly to one or more purchasers, or through a combination of any of these methods of sale. We will provide the specific plan of distribution for any securities to be offered in a prospectus supplement.

Legal matters

The validity of securities offered hereby will be passed upon for us by Gregory T. Sangalis, our General Counsel, and by Shearman & Sterling LLP, and for any underwriters or agents by counsel named in the applicable prospectus supplement. Gregory T. Sangalis is paid a salary by our company and participates in various employee benefit plans offered by us, including equity based plans.

Experts

The consolidated financial statements and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2012 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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Where you can find more information

We file annual, quarterly, and current reports, proxy statements, and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Through our website at www.sci-corp.com, you may access, free of charge, our filings, shortly after we electronically file them with or furnish them to the SEC. Other information contained in our website is not incorporated by reference in, and should not be considered a part of, this prospectus or any accompanying prospectus supplement. You also may read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC s website at www.sec.gov.

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC to register the securities offered hereby under the Securities Act of 1933, as amended, or the Securities Act. This prospectus does not contain all of the information included in the registration statement, including certain exhibits and schedules. You may obtain the registration statement and exhibits to the registration statement in any manner noted above.

Incorporation of certain information by reference

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this prospectus. Information that we file with the SEC in the future and incorporate by reference in this prospectus automatically updates and supersedes previously filed information as applicable.

We incorporate by reference into this prospectus the following documents filed by us with the SEC, other than any portions of any such documents that are not deemed filed under the Exchange Act in accordance with the Exchange Act and applicable SEC rules:

- Annual Report on Form 10-K for the year ended December 31, 2012 (including those sections incorporated by reference from our Proxy Statement filed March 28, 2013).

- Our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013.

- Current Reports on Form 8-K filed with the SEC on May 13, 2013, May 29, 2013 (two reports) and May 30, 2013.

- All documents filed by us in the future under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act until all of the securities registered under this prospectus or any accompanying prospectus supplement are sold, other than any portions of any such documents that are not deemed filed under the Exchange Act in accordance with the Exchange Act and applicable SEC rules.

You may obtain a copy of these filings at no cost, by writing or telephoning us as follows:

Service Corporation International

Attention: General Counsel

1929 Allen Parkway

Houston, Texas 77019

(713) 522-5141

Any statement contained in a document that is incorporated by reference will be modified or superseded for all purposes to the extent that a statement contained in this prospectus or any accompanying prospectus supplement, or in any other document that is subsequently filed with the SEC and incorporated by reference, modifies, or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this prospectus or any accompanying prospectus supplement, except as so modified or superseded. Since information

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that we later file with the SEC will update and supersede previously incorporated information, you should look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or any accompanying prospectus supplement or in any documents previously incorporated by reference have been modified or superseded.

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$300,000,000

Service Corporation International

5.375% Senior Notes due 2024

Prospectus supplement

BofA Merrill Lynch

J.P. Morgan

Wells Fargo Securities

SunTrust Robinson Humphrey

Scotiabank

BBVA

BB&T Capital Markets

Fifth Third Securities

Raymond James

MUFG

August 10, 2015

- - - (5,776) - (5,776)

Class A common stock ($.7350 per share)
- - - - - - - - (15,350) - (15,350)

Issuance of shares under dividend reinvestment plan
- - 32,370 1 6,137 - 644 - - 645

Shares issued under restricted stock plan
- - 175,950 2 63,100 1 (3) - - -

Restricted stock compensation and other adjustments
- - - - - - - 2,872 - - 2,872

Adjustments to redeemable noncontrolling interests
- - - - - - - - (133) - (133)

Balances – July 31 ,2011
2,450,000 $61,250 8,669,760 $87 20,888,935 $209 $314,208 $(71,052) $(129) $304,573

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business
Urstadt Biddle Properties Inc. ("Company"), a real estate investment trust (REIT), is engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States. Non-core properties include two distribution service facilities. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At July 31, 2011, the Company owned or had equity interests in 51 properties containing a total of 4.7 million square feet of Gross Leasable Area ("GLA").

Principles of Consolidation and Use of Estimates
The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria of a sole general partner in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, "Consolidation". The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. In accordance with ASC Topic 970 "Real Estate", joint ventures that the Company does not control but otherwise exercises significant influence in, are accounted for under the equity method of accounting. See Notes 5 and 6 for further discussion of the above. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results of operations for the nine month period ended July 31, 2011 are not necessarily indicative of the results that may be expected for the year ending October 31, 2011. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended October 31, 2010.

The preparation of financial statements requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition, fair value estimates, and the collectibility of tenant and mortgage notes receivables and other assets. Actual results could differ from these estimates. The balance sheet at October 31, 2010 has been derived from audited financial statements at that date.

Federal Income Taxes
The Company has elected to be treated as a REIT under Sections 856-860 of the Internal Revenue Code (Code). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2011 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of ASC Topic 740, "Income Taxes" that, among other things, defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of July 31, 2011. The Company records interest and penalties relating to unrecognized tax benefits, if any, as interest expense. As of July 31, 2011, the fiscal tax years 2007 through and including 2010 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, mortgage notes receivable and tenant receivables. The Company places its cash and cash equivalents with high quality financial institutions and the balances at times could exceed federally insured limits. The Company performs ongoing credit evaluations of its tenants and may require certain tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the terminal value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with re-tenanting the space. The Company has no dependency upon any single tenant.

Marketable Securities

Marketable securities consist of short-term investments and marketable equity securities. Short-term investments (consisting of investments with original maturities of greater than three months when purchased) and marketable equity securities are carried at fair value. The Company has classified marketable securities as available for sale. Unrealized gains and losses on available for sale securities are recorded as other comprehensive income (loss) in Stockholders' Equity. There were no sales of marketable securities during the nine month period ended July 31, 2011.

As of July 31, 2011, all of the Company's marketable securities consisted of REIT Common and Preferred Stocks. At July 31, 2011, the Company has recorded a net unrealized gain on available for sale securities in the amount of $12,000. The Company deems unrealized losses to be temporary. If and when the Company deems the unrealized losses to be other than temporary, unrealized losses will be realized and reclassified into earnings. The net unrealized gain at July 31, 2011 is detailed below (In thousands):

Description:	Fair Market Value	Cost Basis	Net Unrealized Gain/(Loss)	Gross Unrealized Gains	Gross Unrealized (Loss)
REIT Common and Preferred Stocks	$ 970	$ 958	$ 12	$ 131	$ (119)

Derivative Financial Instruments

The Company occasionally utilizes derivative financial instruments, such as interest rate swaps, to manage its exposure to fluctuations in interest rates. The Company has established policies and procedures for risk assessment, and the approval, reporting and monitoring of derivative financial instruments. Derivative financial instruments must be effective in reducing the Company's interest rate risk exposure in order to qualify for hedge accounting. When the terms of an underlying transaction are modified, or when the underlying hedged item ceases to exist, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income for each period until the derivative instrument matures or is settled. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market with the changes in value included in net income. The Company has not entered into, and does not plan to enter into, derivative financial instruments for trading or speculative purposes. Additionally, the Company has a policy of entering into derivative contracts only with major financial institutions.

As of July 31, 2011, the Company believes it has no significant risk associated with non-performance of the financial institution which is the counterparty to its derivative contract. At July 31, 2011, the Company had approximately $11.6 million borrowed under its unsecured revolving line of credit subject to an interest rate swap. Such interest rate swap converted the LIBOR-based variable rate on the unsecured line of credit to a fixed annual rate of 1.22% per annum. As of July 31, 2011, the Company had accrued liabilities of $142,000 (included in accounts payable and accrued expenses on the consolidated balance sheet) relating to the fair value of the Company's interest rate swap applicable to the unsecured revolving line of credit. Charges and/or credits relating to the changes in fair values of such interest rate swaps are made to accumulated other comprehensive income as the swap is deemed effective and is classified as a cash flow hedge.

Comprehensive Income

Comprehensive income is comprised of net income applicable to Common and Class A Common stockholders and other comprehensive income (loss). Other comprehensive income (loss) includes items that are otherwise recorded directly in stockholders' equity, such as unrealized gains or losses on marketable securities and unrealized gains and losses on interest rate swaps designated as cash flow hedges. Comprehensive income consisted of the following (in thousands):

	Nine Months Ended July 31, 2011	Nine Months Ended July 31, 2010	Three Months Ended July 31, 2011	Three Months Ended July 31, 2010
Net income applicable to Common and Class A Common	$ 14,764	$ 10,545	$ 4,249	$ 4,519

Stockholders				
Change in unrealized gains/(losses) in marketable equity securities	38	148	(12)	(19)
Change in unrealized (loss) on interest rate swap	62	(136)	(2)	(136)
Total comprehensive income	$ 14,864	$ 10,557	$ 4,235	$ 4,364

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its real estate investments is impaired at July 31, 2011.

Property Held for Sale and Discontinued Operations

The Company follows the provisions of ASC Topic 360, "Property, Plant, and Equipment," and ASC Topic 205, "Presentation of Financial Statements". ASC Topic 360 and ASC Topic 205 require, among other things, that the assets and liabilities and the results of operations of the Company's properties that have been sold or otherwise qualify as held for sale be classified as discontinued operations and presented separately in the Company's consolidated financial statements. If significant to financial statement presentation, the Company classifies properties as held for sale that are under contract for sale and are expected to be sold within the next 12 months.

Revenue Recognition

Revenues from operating leases include revenues from core properties and non-core properties. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. At July 31, 2011 and October 31, 2010, approximately $12,597,000 and $12,205,000, respectively, has been recognized as straight-line rents receivable (representing the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant receivables in the accompanying consolidated financial statements. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under U.S. GAAP have been met.

The Company provides an allowance for doubtful accounts against the portion of tenant receivables (including an allowance for future tenant credit losses of approximately 10% of the deferred straight-line rents receivable) which is estimated to be uncollectible. Such allowances are reviewed periodically. At July 31, 2011 and October 31, 2010, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of $3,228,000 and $2,668,000, respectively. During the nine month periods ended July 31, 2011 and 2010, the Company provided $767,000 and $318,000, respectively, for uncollectible amounts, which is recorded in the accompanying consolidated statement of income as a reduction of base rental revenue.

Real Estate

Land, buildings, property improvements, furniture/fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

The amounts to be capitalized as a result of an acquisition and the periods over which the assets are depreciated or amortized are determined based on estimates as to fair value and the allocation of various costs to the individual

assets. The Company allocates the cost of an acquisition based upon the estimated fair value of the net assets acquired. The Company also estimates the fair value of intangibles related to its acquisitions. The valuation of the fair value of intangibles involves estimates related to market conditions, probability of lease renewals and the current market value of in-place leases. This market value is determined by considering factors such as the tenant's industry, location within the property and competition in the specific region in which the property operates. Differences in the amount attributed to the intangible assets can be significant based upon the assumptions made in calculating these estimates.

The Company is required to make subjective assessments as to the useful life of its properties for purposes of determining the amount of depreciation. These assessments have a direct impact on the Company's net income.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	30-40 years
Property Improvements	10-20 years
Furniture/Fixtures	3-10 years
Tenant Improvements	Shorter of lease term or their useful life

Earnings Per Share

The Company calculates basic and diluted earnings per share in accordance with the provisions of ASC Topic 260, "Earnings Per Share." Basic earnings per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income applicable to Common and Class A Common stockholders by the weighted average number of Common shares and Class A Common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common shares or Class A Common shares were exercised or converted into Common shares or Class A Common shares and then shared in the earnings of the Company. Since the cash dividends declared on the Company's Class A Common stock are higher than the dividends declared on the Common Stock, basic and diluted EPS have been calculated using the "two-class" method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock according to the weighted average of the dividends declared, outstanding shares per class and participation rights in undistributed earnings.

The following table sets forth the reconciliation between basic and diluted EPS (in thousands):

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2011	2010	2011	2010
Numerator				
Net income applicable to common stockholders – basic	$ 3,609	$ 2,803	$ 1,040	$ 1,203
Effect of dilutive securities:				
Stock awards	205	118	68	59
Net income applicable to common stockholders – diluted	$ 3,814	$ 2,921	$ 1,108	$ 1,262
Denominator				
Denominator for basic EPS – weighted average common shares	7,301	7,167	7,315	7,184
Effect of dilutive securities:				
Restricted stock awards	637	475	738	562
Denominator for diluted EPS – weighted average common equivalent shares	7,938	7,642	8,053	7,746
Numerator				
Net income applicable to Class A common stockholders-basic	$ 11,155	$ 7,742	$ 3,209	$ 3,316
Effect of dilutive securities:				
Stock awards	(205)	(118)	(68)	(59)
Net income applicable to Class A common stockholders – diluted	$ 10,950	$ 7,624	$ 3,141	$ 3,257
Denominator				
Denominator for basic EPS – weighted average Class A common shares	20,493	17,963	20,496	17,966

Effect of dilutive securities:				
Restricted stock awards	200	133	226	174
Denominator for diluted EPS – weighted average Class A common equivalent shares	20,693	18,096	20,722	18,140

Segment Reporting
The Company operates in one industry segment, ownership of commercial real estate properties which are located principally in the northeastern United States. The Company does not distinguish its property operations for purposes of measuring performance. Accordingly, the Company believes it has a single reportable segment for disclosure purposes.

Stock-Based Compensation
The Company accounts for its stock-based compensation plans under the provisions of ASC Topic 718, "Stock Compensation", which requires that compensation expense be recognized, based on the fair value of the stock awards less estimated forfeitures. The fair value of stock awards is equal to the fair value of the Company's stock on the grant date.

Reclassifications
Certain prior period amounts have been reclassified to conform to the current period's presentation.

New Accounting Standards

Adopted in fiscal 2011

In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-06, Fair Value Measurements and Disclosures Topic 820 – Improving Disclosures about Fair Value Measurements. ASU 2010-06 requires a number of additional disclosures regarding fair value measurements, including the amount of transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for the transfers in and out of Level 3 of the fair value hierarchy and activity for recurring Level 3 measures. In addition, the amendments clarify certain existing disclosure requirements related to the level at which fair value disclosures should be disaggregated and the requirement to provide disclosures about the valuation techniques and inputs used in determining the fair value of assets or liabilities classified as Level 2 or Level 3. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for disclosures about purchases, sales issuances and settlements in the roll forward of activity in Level 3 fair value measurements, which are effective for interim and annual reporting periods beginning after December 15, 2010; early adoption is permitted. The adoption of this ASU did not have a material effect on the consolidated financial statements of the Company.

To be adopted in fiscal 2012

In May 2011, the FASB issued Accounting Standards Update (“ASU “) 2011-04, “Fair Value Measurement (ASC Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (“IFRS”)”. The pronouncement was issued to provide a uniform framework for fair value measurements and related disclosures between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This pronouncement is effective for us in the second quarter of 2012 and is not expected to have a significant impact on our consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05, “Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income.” ASU 2011-05 eliminates the option to present components of other comprehensive income as part of the statement of shareholders’ equity and requires the presentation of components of net income and components of other income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This pronouncement is effective for us in the second quarter of 2012 and is not expected to have a significant impact on our consolidated financial statements.

(2) CORE PROPERTIES

In April 2011, the Company, through a wholly owned subsidiary, completed the purchase of the 72,000 square foot Fairfield Plaza Shopping Center, in New Milford, Connecticut (“Fairfield Plaza”) for a purchase price of $10.8 million, subject to an existing first mortgage secured by the property at its estimated fair value of approximately $5.0 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the nine month period ended July 31, 2011. The Company financed its net investment in the property with available cash and a borrowing on its unsecured revolving credit facility. In conjunction with the purchase, the Company incurred acquisition costs totaling $53,000 which have been expensed in the nine months ended July 31, 2011 consolidated statement of income.

In April 2011, the Company entered into a contract to purchase a retail shopping center for a purchase price of $9 million. In conjunction with entering into the contract the Company placed a deposit in the amount of $450,000 with the seller which will be credited to the purchase price at closing.

Upon the acquisition of real estate properties, the fair value of the real estate purchased is allocated to the acquired tangible assets (consisting of land, buildings and building improvements), and identified intangible assets and liabilities (consisting of above-market and below-market leases and in-place leases), in accordance with ASC Topic 805, “Business Combinations”. The Company utilizes methods similar to those used by independent appraisers in estimating the fair value of acquired assets and liabilities. The fair value of the tangible assets of an acquired property considers the value of the property “as-if-vacant”. The fair value reflects the depreciated replacement cost of the asset. In allocating purchase price to identified intangible assets and liabilities of an acquired property, the values of above-market and below-market leases are estimated based on the differences between (i) contractual rentals and the estimated market rents over the applicable lease term discounted back to the date of acquisition utilizing a discount rate adjusted for the credit risk associated with the respective tenants and (ii) the estimated cost of acquiring such leases giving effect to the Company’s history of providing tenant improvements and paying leasing commissions, offset by a vacancy period during which such space would be leased. The aggregate value of in-place leases is measured by the excess of (i) the purchase price paid for a property after adjusting existing in-place leases to market rental rates over (ii) the estimated fair value of the property “as-if-vacant,” determined as set forth above.

During fiscal 2011, the Company completed its evaluation of the acquired leases for its New Milford Plaza Property, which was acquired in fiscal 2010. As a result of its evaluation, the Company has allocated $396,000 to a liability

associated with the net fair value assigned to the acquired leases at the properties, which amounts represent a non-cash investing activity and are therefore not included in the accompanying consolidated statement of cash flows for the nine months ended July 31, 2011. The Company is currently in the process of evaluating the fair value of the in-place leases for Fairfield Plaza. Consequently, no value has yet been assigned to those leases. Accordingly, the purchase price allocation is preliminary and may be subject to change.

For the nine months ended July 31, 2011 and 2010 the net amortization of above-market and below-market leases was approximately $208,000 and $234,000, respectively, which amounts are included in base rents in the accompanying consolidated statements of income.

In December 2010, the Company reached a lease termination settlement (“Settlement”) with a former tenant in its Meriden shopping center in Meriden, CT. In accordance with the Settlement agreement the prior tenant was released from all its obligations under the aforementioned lease in exchange for a settlement payment to the Company. The Settlement agreement provides that the former tenant will pay the Company $3.3 million in 41 equal monthly payments of $80,000 and one final monthly payment of $20,000 without interest beginning on January 1, 2011. The Company has recorded the lease termination in the consolidated statement of income for nine month period ended July 31, 2011 in the amount of $2,988,000, which amount represents the present value of the 42 payments due to the Company under the Settlement agreement at a discount rate of 5.75% per annum. The Company will record the remaining $313,000 as interest income over the remaining payment term though June 1, 2014 in accordance with the effective yield method. With the exception of the seven $80,000 payments received by the Company through July 31, 2011, the remaining $2.9 million in lease termination income represents a non-cash activity and will not be shown in the investing section of the consolidated statement of cash flows for the nine month period ended July 31, 2011.

(3) MORTGAGE NOTES PAYABLE, BANK LINES OF CREDIT AND OTHER LOANS

The Company has a $50 million Unsecured Revolving Credit Agreement (the "Facility") with The Bank of New York Mellon and Wells Fargo Bank N.A. The Facility gives the Company the option, under certain conditions, to increase the Facility's borrowing capacity up to $100 million. Borrowings under the Facility can be used for, among other things, acquisitions, working capital, capital expenditures, and repayment of other indebtedness and the issuance of letters of credit (up to $10 million). Borrowings will bear interest at the Company's option of the Eurodollar rate plus 0.85% to 1.15% or The Bank of New York Mellon's prime lending rate plus 0.50%. The Company will pay an annual fee on the unused commitment amount of up to 0.175% based on outstanding borrowings during the year. The Facility contains certain representations, financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at July 31, 2011. The maturity date of the Facility was February 11, 2011 with two one year extensions at the Company's option. In November of 2010, the Company exercised its first one year extension option; the new maturity date of the Facility is February 10, 2012. After the extension, the Company has one remaining one-year extension option available which would extend the maturity date to February of 2013.

In April 2011, the Company drew down $3 million on the Facility to fund a portion of its Fairfield Plaza acquisition. In July 2011 the Company drew down $1.5 million on the Facility to fund tenant improvements and capital expenditures.

The Company also has a Secured Revolving Credit Facility with the Bank of New York Mellon (the "Secured Credit Facility"). The Secured Credit Facility provides for borrowings of up to $30 million. Originally scheduled to expire April 15, 2011, the Company reached an agreement with The Bank of New York Mellon to continue the Facility to May 16, 2011 while documentation for the three-year extension was completed. On May 16, 2011, the Company executed the extension agreement, which extended the maturity date until May 16, 2014. The Secured Credit Facility is collateralized by first mortgage liens on two of the Company's properties. Interest on outstanding borrowings is at prime plus 1.00% or the Eurodollar rate plus 2.00%. The Secured Credit Facility requires the Company to maintain certain debt service coverage ratios relating to the properties securing the Secured Credit Facility during its term. The Company was in compliance with such covenants at July 31, 2011. The Company pays an annual fee of 0.40% on the unused portion of the Secured Credit Facility. The Secured Credit Facility is available to fund acquisitions, capital expenditures, mortgage repayments, working capital and other general corporate purposes.

In January 2011, a wholly-owned subsidiary of the Company completed the installation of a solar power system (the "Valley Ridge System") at the Company's Valley Ridge Shopping Center in Wayne, New Jersey at a total cost of approximately $1.1 million. In conjunction with the solar installation the subsidiary of the Company financed a portion of the project with a loan in the amount of $726,000 from the Public Service Electric and Gas Company of New Jersey ("PSE&G"), through PSE&G's "Solar Loan Program I". The loan requires monthly payments of principal and interest at 11.11% per annum through its maturity date of January 31, 2026. The subsidiary of the Company has the option of repaying all or part of the PSE&G loan, including interest, with Solar Renewable Energy Credits that are expected to be generated by the System. In addition the Company received $329,000 in the form of a renewable energy grant from the federal government.

In May 2011, a wholly-owned subsidiary of the Company completed the installation of a solar power system (the "Emerson System") at the Company's Emerson Shopping Center in Emerson, New Jersey at a total cost of approximately $1.2 million. The subsidiary of the Company financed a portion of the project with a loan in the amount of $819,000 from PSE&G, through PSE&G's "Solar Loan Program II". The loan requires monthly payments of principal and interest at 11.3% per annum through its maturity date of May 31, 2026. The subsidiary of the Company has the option of

repaying all or part of the PSE&G loan, including interest, with Solar Renewable Energy Credits that are expected to be generated by the System. Most of the remaining cost of the System is expected to be funded by a renewable energy grant from the federal government.

(4) REDEEMABLE PREFERRED STOCK

The Company is authorized to issue up to 20,000,000 shares of Preferred Stock. At July 31, 2011, the Company had issued and outstanding 400,000 shares of Series C Senior Cumulative Preferred Stock (Series C Preferred Stock), 2,450,000 shares of Series D Senior Cumulative Preferred Stock (Series D Preferred Stock) (see Note 7) and 2,400,000 shares of Series E Senior Cumulative Preferred Stock (Series E Preferred Stock).

The following table sets forth the details of the Company's redeemable preferred stock as of July 31, 2011 and October 31, 2010 (amounts in thousands, except share data):

	July 31, 2011	October 31, 2010
8.50% Series C Senior Cumulative Preferred Stock; liquidation preference of $100 per share; issued and outstanding 400,000 shares	$ 38,406	$ 38,406
8.50% Series E Senior Cumulative Preferred Stock; liquidation preference of $25 per share; issued and outstanding 2,400,000 shares	57,797	57,797
Total Redeemable Preferred Stock	$ 96,203	$ 96,203

The Series E Preferred Stock and Series C Preferred Stock have no stated maturity, are not subject to any sinking fund or mandatory redemption and are not convertible into other securities or property of the Company. Commencing May 2013 (Series C Preferred Stock) and March 2013 (Series E Preferred Stock), the Company, at its option, may redeem the preferred stock issues, in whole or in part, at a redemption price equal to the liquidation preference per share, plus all accrued and unpaid dividends.

Upon a change in control of the Company (as defined), each holder of Series C Preferred Stock and Series E Preferred Stock has the right, at such holder's option, to require the Company to repurchase all or any part of such holder's stock for cash at a repurchase price equal to the liquidation preference per share plus all accrued and unpaid dividends.

The Series C Preferred Stock and Series E Preferred Stock contain covenants that require the Company to maintain certain financial coverage's relating to fixed charge and capitalization ratios. Shares of both Preferred Stock series are non-voting; however, under certain circumstances (relating to non-payment of dividends or failure to comply with the financial covenants) the preferred stockholders will be entitled to elect two directors. The Company was in compliance with such covenants at July 31, 2011.

As the holders of the Series C Preferred Stock and Series E Preferred Stock only have a contingent right to require the Company to repurchase all or part of such holders shares upon a change of control of the Company (as defined), the Series C Preferred Stock and Series E Preferred Stock are classified as redeemable equity instruments as a change in control is not certain to occur.

(5) CONSOLIDATED JOINT VENTURES AND REDEEMABLE NONCONTROLLING INTERESTS.

In December of 2010 and January of 2011, the Company and a wholly-owned subsidiary purchased the remaining 10% limited partner interests in the limited partnership that owns the Stamford property for $7.4 million. As a result of this transaction, the Company now has a 100% ownership interest in the property.

The Company is the general partner and owns 75% of one consolidated limited partnership, UB Ironbound, LP ("Ironbound"), which owns a grocery anchored shopping center.

The Ironbound limited partnership has a defined termination date of December 31, 2097. The partners in Ironbound are entitled to receive an annual cash preference payable from available cash of the partnership. Any unpaid preferences accumulate and are paid from future cash, if any. The balance of available cash, if any, is distributed in accordance with the respective partner's interests. The limited partners in Ironbound currently have the right to require the Company to repurchase all or a portion of their remaining limited partner interests at prices as defined in the Ironbound partnership agreement. Upon liquidation of Ironbound, proceeds from the sale of partnership assets are to be distributed in accordance with the respective partnership interests. The limited partners are not obligated to make any additional capital contributions to the partnership. The Company retains an affiliate of one of the limited partners in Ironbound to provide management and leasing services to the property at an annual fee equal to two percent of rental income collected, as defined. The limited partner interests in Ironbound are reflected at redemption value which approximates fair value in the accompanying consolidated financial statements as noncontrolling interests.

In July 2011, the Company received a put notice from some of the limited partners of Ironbound requesting that 82,081 limited partnership units (of the 224,257 outstanding prior to the put) be redeemed by the Company. The Company expects to close on the transaction sometime in the latter part of fiscal 2011 at a price as defined in the Ironbound partnership agreement which approximates fair value.

The Company accounts for non-controlling interests in accordance with ASC Topic 810, "Noncontrolling Interests in Consolidated Financial Statements". ASC Topic 810 states that the accounting and reporting for minority interests will be re-characterized as non-controlling interests and classified as a component of equity subject to the provisions of the former Emerging Issues Task Force ("EITF") Topic D-98 (Revised March 2008). Because the limited partners in Ironbound currently have the right to require the Company to redeem all or a part of their limited partnership units at prices as defined in the Ironbound partnership agreement, the Company will report the noncontrolling interests in Ironbound in the mezzanine section, outside of permanent equity, of the consolidated balance sheets at redemption value which approximates fair value. For the nine months ended July 31, 2011, the Company increased the carrying

value of the non-controlling interests by $138,000 with the corresponding decrease recorded in stockholders' equity.

The following table sets forth the details of the Company's redeemable non-controlling interests at July 31, 2011 and October 31, 2010 (amounts in thousands)

	July 31, 2011	October 31, 2010
Beginning Balance	$ 11,330	$ 7,259
Purchase of Noncontrolling Interests	(7,428)	-
Change in Redemption Value	133	4,071
Ending Balance	$ 4,035	$ 11,330

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(6) INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED JOINT VENTURES

At July 31, 2011 and October 31, 2010 investments in and advances to unconsolidated joint ventures consisted of the following (with the Company's ownership percentage in parentheses): (amounts in thousands)

	July 31, 2011	October 31, 2010
Midway Shopping Center, L.P. (11.642%)	$ 18,152	$ 17,517
Putnam Plaza Shopping Center (66.67%)	6,660	6,610
81 Pondfield Road Company (20%)	723	723
Total	$ 25,535	$ 24,850

Midway Shopping Center, L.P.
In fiscal 2010, the Company, through a wholly owned subsidiary, purchased a 9.9667% equity interest in Midway Shopping Center L.P., which owns a 247,000 square foot shopping center in Westchester County, New York ("Midway"), for approximately $6.0 million. Also in fiscal 2010, the Company loaned Midway, in the form of an unsecured note, approximately $11.6 million, which Midway used to repay $11.6 million in mortgage and unsecured loans. The loan to Midway by the Company will require monthly payments to the Company of interest only at 5.75% per annum; the loan will mature on January 1, 2013. In December 2010 (fiscal 2011) and May 2011 the Company through a wholly-owned subsidiary purchased an additional 1.675% equity limited partnership interest in Midway for $798,000 bringing its total economic ownership interest in Midway to 11.642% at July 31, 2011. The Company has evaluated its investment in Midway and has concluded that the venture is not a variable interest entity and should not be consolidated into the financial statements of the Company. Although the Company only has an approximate 12% equity interest in Midway, it controls 25% of the voting power of Midway and as such has determined that it exercises significant influence over the financial and operating decisions of Midway and accounts for its investment in Midway under the equity method of accounting. Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

The Company has allocated the $7.0 million excess of the carrying amount of its investment in and advance to Midway over the Company's share of Midway's net book value to real property and is amortizing the difference over the property's estimated useful life of 39 years.

Midway currently has a non-recourse first mortgage payable in the amount of $14 million. The loan bears interest only at the rate of 6% per annum, which matures in January 2013. Midway's only other debt outstanding is its unsecured loan to the Company in the amount of $11.6 million. In February 2011, the Company reached agreement with Midway to loan the partnership an additional $1,250,000 at the same terms and conditions as the aforementioned $11.6 million loan.

Putnam Plaza Shopping Center

In fiscal 2010, the Company, through a wholly owned subsidiary, acquired a 66.67% undivided equity interest in the Putnam Plaza Shopping Center ("Putnam Plaza"). At inception of the venture the property was valued at $29.7 million. Simultaneously with the acquisition, a $21 million non-recourse first mortgage payable was placed on the

property with the proceeds distributed to the seller. The new mortgage has an initial term of five years with a five year extension right at the then market interest rate as defined. Payments of interest only are due for the first thirty months at 6.2%. Beginning in the thirty-first month, payments of principal and interest, at the rate of 6.2%, are required based on a twenty-seven and one-half year amortization schedule. The Company's net cash equity investment in the venture was $6.5 million including closing costs.

The minority investor in the venture has provided the first mortgage lender with a $2 million recourse guarantee, which guarantees payment and performance. The Company has entered into an agreement with the minority investor whereby the Company will participate in the guarantee up to 66.7%.

The Company accounts for its investment in the Putnam Plaza joint venture under the equity method of accounting since it exercises significant influence, but does not control the venture.

The other venturer in Putnam Plaza has substantial participation rights in the financial decisions and operation of the property, which preclude the Company from consolidating the investment. The Company has evaluated its investment in Putnam Plaza and has concluded that the venture is not a variable interest entity. Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

81 Pondfield Road Company

The Company's other investment in an unconsolidated joint venture is a 20% economic interest in a partnership which owns a retail and office building in Westchester County, New York.

(7) STOCKHOLDERS' EQUITY

Restricted Stock Plan

On March 10, 2011, the stockholders of the Company approved an amendment to the Company's restricted stock plan (the "Plan") to provide for an additional 500,000 Common Shares or Class A Common shares to be available for issuance under the Plan. As amended, the Plan authorizes grants of up to an aggregate of 3,150,000 shares of the Company's common equity consisting of 350,000 Common shares, 350,000 Class A Common shares and 2,450,000 shares, which at the discretion of the Company's compensation committee, may be awarded in any combination of Class A Common shares or Common shares.

In accordance with ASC Topic 718, the Company recognized compensation expense for restricted stock awards upon the earlier of the explicit vesting period or the date a participant first becomes eligible for retirement unless a waiver was received by an employee over the retirement age, waving his right to continued vesting after retirement. For non-vested restricted stock awards granted prior to the adoption of ASC Topic 718 in 2005, the Company continues to recognize compensation expense over the explicit vesting periods and accelerates any remaining unrecognized compensation cost when a participant actually retires.

In January 2011, the Company awarded 175,950 shares of Common Stock and 63,100 shares of Class A Common Stock to participants in the Plan. The grant date fair value of restricted stock grants awarded to participants in 2011 was approximately $4.2 million.

A summary of the status of the Company's non-vested Common and Class A Common shares as of July 31, 2011, and changes during the nine months ended July 31, 2011 are presented below:

	Common Shares		Class A Common Shares	
Non-vested Shares	Shares	Weighted-Average Grant-Date Fair Value	Shares	Weighted-Average Grant-Date Fair Value
Non-vested at November 1, 2010	1,233,100	$ 14.97	349,950	$ 15.85
Granted	175,950	$ 16.95	63,100	$ 19.87
Vested	(65,800)	$ 15.90	(21,850)	$ 16.39
Non-vested at July 31, 2011	1,343,250	$ 15.18	391,200	$ 16.51

As of July 31, 2011, there was $13.6 million of unamortized restricted stock compensation related to non-vested restricted stock grants awarded under the Plan. The remaining unamortized expense is expected to be recognized over a weighted average period of 4.99 years. For the nine months ended July 31, 2011 and 2010 amounts charged to compensation expense totaled $2,774,000 and $2,335,000, respectively.

Share Repurchase Program

Previously, the Board of Directors of the Company approved a share repurchase program ("Program") for the repurchase of up to 1,500,000 shares of Common Stock and Class A Common Stock and the Company's Series C and Series D Senior Cumulative Preferred Stock in open-market transactions. As of July 31, 2011, the Company had repurchased 3,600 shares of Common Stock and 724,578 shares of Class A Common Stock under the Program.

Preferred Stock

The Series D Preferred Stock has no maturity and is not convertible into any other security of the Company and is redeemable at the Company's option at a price of $25.00 per share plus accrued and unpaid dividends.

(8) FAIR VALUE MEASUREMENTS

ASC Topic 820, "Fair Value Measurements and Disclosures" defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants.

ASC Topic 820's valuation techniques are based on observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1- Quoted prices for identical instruments in active markets
- Level 2- Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant value drivers are observable
- Level 3- Valuations derived from valuation techniques in which significant value drivers are unobservable

Marketable debt and equity securities are valued based on quoted market prices on national exchanges.

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The Company calculates the fair value of its redeemable non controlling interests based on unobservable inputs considering the assumptions that market participants would make in pricing the obligations. The inputs used include an estimate of the fair value of the cash flow generated by the limited partnership in which the investor owns the partnership units.

The fair values of interest rate swaps are determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs; including interest rate curves ("significant other observable inputs.") The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded, as of July 31, 2011, that the fair value associated with the "significant unobservable inputs" relating to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, the Company has determined that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs".

The Company measures its redeemable noncontrolling interests, marketable equity and debt securities classified as available for sale securities and interest rate swap derivative at fair value on a recurring basis. The fair value of these financial assets and liabilities was determined using the following inputs at July 31, 2011 (amount in thousands):

		Fair Value Measurements at Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Available for Sale Securities	$ 970	$ 970	$ -	$ -
Liabilities:				
Interest Rate Swap Agreement	$ 142	$ -	$ 142	$ -
Redeemable noncontrolling interests	$ 4,035	$ -	$ -	$ 4,035

Fair market value measurements based upon Level 3 inputs changed from $3,911,000 at November 1, 2010 to $4,035,000 at July 31, 2011 as a result of a $124,000 increase in the redemption value of the Company's noncontrolling interests in Ironbound in accordance with the application of ASC Topic 810 (See Note 5).

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, tenant receivables, prepaid expenses, other assets, accounts payable, accrued expenses, revolving lines of credit and other liabilities are reasonable estimates of their fair values because of the short-term nature of these instruments.

The estimated fair value of the mortgage note receivable collateralized by real property is based on discounting the future cash flows at a year-end risk adjusted lending rate that the Company would utilize for loans of similar risk and duration. At July 31, 2011 and October 31, 2010, the estimated aggregate fair value of the mortgage note receivable was approximately $1.1 million.

The estimated fair value of mortgage notes payable and other loans were approximately $126 million at July 31, 2011 and October 31, 2010, respectively. The estimated fair value of mortgage notes payable and other loans are based on discounting the future cash flows at a year-end risk adjusted borrowing rate currently available to the Company for issuance of debt with similar terms and remaining maturities.

Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

(9) COMMITMENTS AND CONTINGENCIES

In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities if any that may ultimately result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company. At July 31, 2011, the Company had commitments of approximately $6.8 million for capital improvements to its properties and tenant related obligations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements of the Company and the notes thereto included elsewhere in this report.

Forward Looking Statements

This Item 2 includes certain statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this Item 2 that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), business strategies, expansion and growth of the Company’s operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate. Such statements are subject to a number of assumptions, risks and uncertainties including, among other things, general economic and business conditions, the business opportunities that may be presented to and pursued by the Company, changes in laws or regulations and other factors, many of which are beyond the control of the Company. For a more detailed discussion of some of these factors, see the risk factors set forth in “Item 1A Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2010. Any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those anticipated in the forward-looking statements.

Executive Summary

The Company, a REIT, is a fully integrated, self-administered real estate company, engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States. Other real estate assets include office and industrial properties. The Company’s major tenants include supermarket chains and other retailers who sell basic necessities. At July 31, 2011, the Company owned or had equity interests in 51 properties containing a total of 4.7 million square feet of GLA of which approximately 93% was leased. The Company has equity interests in three unconsolidated joint ventures at July 31, 2011. Those joint ventures were approximately 98% leased.

The Company derives substantially all of its revenues from rents and operating expense reimbursements received pursuant to long-term leases and focuses its investment activities on community and neighborhood shopping centers, anchored principally by regional supermarket chains. The Company believes, because of the need of consumers to purchase food and other staple goods and services generally available at supermarket-anchored shopping centers, that the nature of its investments provide for relatively stable revenue flows even during difficult economic times. The Company has experienced and, in the remaining portion of fiscal 2011 and fiscal 2012, expects that it could continue to experience increased vacancy rates, relative to the Company’s historical norm, at some of its shopping centers and a lengthening in the time required for releasing of vacant space, as the current economic downturn continues to negatively affect retail companies. However, the Company believes it is well positioned to weather these difficulties. Notwithstanding the increase in vacancy rates at various properties, approximately 92% of the Company’s core portfolio remains leased. The Company has a strong capital structure with only $6.3 million in secured debt maturing in the next 12 months. The Company expects to continue to explore acquisition opportunities that may arise during this economic downturn consistent with its business strategy.

Primarily as a result of property acquisitions in fiscal 2010 and the first half of fiscal 2011, the Company’s financial data shows increases in total revenues and expenses for the nine month period ended July 31, 2011 when compared to the corresponding period of the prior year.

The Company focuses on increasing cash flow, and consequently the value of its properties, and seeks continued growth through strategic re-leasing, renovations and expansion of its existing properties and selective acquisition of income producing properties, primarily neighborhood and community shopping centers in the northeastern part of the United States.

Key elements of the Company's growth strategies and operating policies are to:

§ Acquire neighborhood and community shopping centers in the northeastern part of the United States with a concentration in Fairfield County, Connecticut; Westchester and Putnam Counties, New York; and Bergen County, New Jersey
§ Hold core properties for long-term investment and enhance their value through regular maintenance, periodic renovation and capital improvement
§ Selectively dispose of non-core and underperforming properties and re-deploy the proceeds into properties located in the northeast region
§ Increase property values by aggressively marketing available GLA and renewing existing leases
§ Renovate, reconfigure or expand existing properties to meet the needs of existing or new tenants
§ Negotiate and sign leases that provide for regular or fixed contractual increases to minimum rents
§ Control property operating and administrative costs

Critical Accounting Policies

Critical accounting policies are those that are both important to the presentation of the Company's financial condition and results of operations and require management's most difficult, complex or subjective judgments. Set forth below is a summary of the accounting policies that management believes are critical to the preparation of the consolidated financial statements. This summary should be read in conjunction with the more complete discussion of the Company's accounting policies included in Note 1 to the consolidated financial statements of the Company for the year ended October 31, 2010 included in the Company's Annual Report on Form 10-K for the year ended October 31, 2010.

Revenue Recognition

Revenues from operating leases include revenues from core properties and non-core properties. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under U.S. GAAP have been met.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established based on a quarterly analysis of the risk of loss on specific accounts. The analysis places particular emphasis on past-due accounts and considers information such as the nature and age of the receivables, the payment history of the tenants or other debtors, the financial condition of the tenants and any guarantors and management's assessment of their ability to meet their lease obligations, the basis for any disputes and the status of related negotiations, among other things. Management's estimates of the required allowance is subject to revision as these factors change and is sensitive to the effects of economic and market conditions on tenants, particularly those at retail properties. Estimates are used to establish reimbursements from tenants for common area maintenance, real estate tax and insurance costs. The Company analyzes the balance of its estimated accounts receivable for real estate taxes, common area maintenance and insurance for each of its properties by comparing actual recoveries versus actual expenses and any actual write-offs. Based on its analysis, the Company may record an additional amount in its allowance for doubtful accounts related to these items. For the nine month periods ended July 31, 2011 and 2010 the Company increased its allowance for doubtful accounts by $767,000 and $318,000, respectively. It is also the Company's policy to maintain an allowance of approximately 10% of the deferred straight-line rents receivable balance for future tenant credit losses.

Real Estate

Land, buildings, property improvements, furniture/fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

The amounts to be capitalized as a result of an acquisition and the periods over which the assets are depreciated or amortized are determined based on estimates as to fair value and the allocation of various costs to the individual assets. The Company allocates the cost of an acquisition based upon the estimated fair value of the net assets acquired. The Company also estimates the fair value of intangibles related to its acquisitions. The valuation of the fair value of intangibles involves estimates related to market conditions, probability of lease renewals and the current market value of in-place leases. This market value is determined by considering factors such as the tenant's industry, location within the property and competition in the specific region in which the property operates. Differences in the amount attributed to the intangible assets can be significant based upon the assumptions made in calculating these estimates.

The Company is required to make subjective assessments as to the useful life of its properties for purposes of determining the amount of depreciation. These assessments have a direct impact on the Company's net income.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	30-40 years
Property Improvements	10-20 years
Furniture/Fixtures	3-10 years
Tenant Improvements	Shorter of lease term or their useful life

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its real estate investments is impaired at July 31, 2011.

Liquidity and Capital Resources
At July 31, 2011, the Company had unrestricted cash and cash equivalents of $1.8 million compared to $15.7 million at October 31, 2010. The Company's sources of liquidity and capital resources include its cash and cash equivalents, proceeds from bank borrowings and long-term mortgage debt, capital financings and sales of real estate investments. Payments of expenses related to real estate operations, debt service, management and professional fees, and dividend requirements place demands on the Company's short-term liquidity.

The Company is currently experiencing a reduction of rental revenues as a result of tenant vacancies at some of the Company's properties and until these vacancies are re-leased and those new tenants begin to pay rent the Company's cash flow will continue to be negatively affected. Currently the Company is paying approximately 80% of its funds from operations out to shareholders in the form of common stock dividends. Although the Company does not anticipate having to reduce its dividend on common stock, and has no plans to do so, a further significant decline in rental revenue, without a corresponding reduction in expenses, could lead the Company to conclude that it should reduce its common stock dividend until rental revenues return to pre fiscal 2009 levels.

As a result of the Company's conservative capital structure, the Company has not been significantly affected by recent turmoil in the credit markets for commercial real estate. The Company maintains a ratio of total debt to total assets of under 30% which has allowed the Company to obtain additional secured mortgage borrowings when necessary. The Company's earliest significant fixed rate debt maturity is not due until October 2011 ($4.0 million). As of July 31, 2011, the Company has loan availability of $63.9 million on its two revolving lines of credit.

In May 2011, the Company extended the term of its $30 million secured revolving credit facility for three years through May 16, 2014.

The Company is currently in contract to purchase a retail shopping center located in its primary geographic area for a purchase price of $9 million. The Company plans on financing the acquisition with the assumption of a first mortgage payable currently in place on the property in the approximate amount of $5 million, available cash and borrowings on its unsecured credit facility.

Cash Flows

The Company expects to meet its short-term liquidity requirements primarily by generating net cash from the operations of its properties. The Company believes that its net cash provided by operations will be sufficient to fund its short-term liquidity requirements for the balance of fiscal 2011 and to meet its dividend requirements necessary to maintain its REIT status.

The Company expects to continue paying regular dividends to its stockholders. These dividends will be paid from operating cash flows which are expected to increase over time due to property acquisitions and growth in operating income in the existing portfolio and from other sources. The Company derives substantially all of its revenues from rents under existing leases at its properties. The Company's operating cash flow therefore depends on the rents that it is able to charge to its tenants, and the ability of its tenants to make rental payments. The Company believes that the nature of the properties in which it typically invests primarily grocery-anchored neighborhood and community shopping centers provides a more stable revenue flow in uncertain economic times, in that consumers still need to purchase basic staples and convenience items. However, even in the geographic areas in which the Company owns properties, general economic downturns may adversely impact the ability of the Company's tenants to make lease payments and the Company's ability to re-lease space as leases expire. In either of these cases, the Company's cash flow could be adversely affected.

Net Cash Flows from:

Operating Activities

Net cash flows provided by operating activities amounted to $33.2 million in the nine months ended July 31, 2011, compared to $33.0 million in the comparable period of fiscal 2010. The net increase in operating cash flows in fiscal 2011 when compared with the corresponding prior period was due primarily to an increase in net operating income at some of the Company's properties as a result of leasing vacant space in the last two quarters of fiscal 2010 and the net operating income of properties acquired in the second half of fiscal 2010 and the first nine months of 2011 as well as normal rental increases on in place leases throughout the Company's portfolio. These increases were offset by a decrease in operating cash flow as a result of new vacancies at some of the Company's properties in the first nine months of fiscal 2011.

Investing Activities

Net cash flows used by investing activities amounted to $20.9 million in the first nine months of fiscal 2011 compared to $50.0 million in the comparable period of fiscal 2010. The decrease in cash flows used by investing activities in fiscal 2011 when compared to the corresponding prior period was primarily the result of the Company purchasing in the first nine months of fiscal 2011 a 72,000 square foot grocery anchored shopping center for a net investment of $5.8 million, an additional 1.675% of the Midway Shopping Center for $798,000 and the remaining 10% limited partnership interests in the limited partnership that owns the Ridgeway Shopping Center in Stamford, CT for $7.4 million versus purchasing two real estate properties in the amount of $22.3 million and making two investments in unconsolidated joint ventures in the amount of $24.0 million in the first nine months of fiscal 2010.

The Company invests in its properties and regularly pays for capital expenditures for property improvements, tenant costs and leasing commissions.

Financing Activities

Net cash flows used by financing activities amounted to $26.2 million in the first nine months of fiscal 2011 compared with net cash provided by financing activities of $9.3 million in the comparable period of fiscal 2010. The increase in net cash used by financing activities in the first nine months of fiscal 2011 compared to the corresponding period of fiscal 2010 was attributable predominantly to the Company borrowing $44.0 million on its unsecured line of credit in the first nine months of fiscal 2010 versus borrowing only $4.5 million on its unsecured line of credit in the first nine months of fiscal 2011 to purchase real estate investments offset by the repayment of a mortgage loan in the amount of $5.2 million in the first nine months of fiscal 2010 further offset by an increase in the annualized dividend rate in fiscal 2011 on the Company's outstanding Common and Class A Common stock of $0.01 per share and an increased dividend payout as a result of the 2.5 million Class A Common shares that were issued in September 2010.

Capital Resources

The Company expects to fund its long-term liquidity requirements such as property acquisitions, repayment of indebtedness and capital expenditures through other long-term indebtedness (including indebtedness assumed in acquisitions), borrowings on its unsecured and secured credit facilities, proceeds from sales of properties and/or the issuance of equity securities. The Company believes that these sources of capital will continue to be available to it in the future to fund its long-term capital needs; however, there are certain factors that may have a material adverse effect on its access to capital sources. The Company's ability to incur additional debt is dependent upon its existing leverage, the value of its unencumbered assets and borrowing limitations imposed by existing lenders. The Company's ability to raise funds through sales of equity securities is dependent on, among other things, general market conditions for REITs, market perceptions about the Company and its stock price in the market. The Company's ability to sell properties in the future to raise cash will be dependent upon market conditions at the time of sale.

Financings and Debt

The Company is exposed to interest rate risk primarily through its borrowing activities. There is inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and the Company's future financing requirements. Mortgage notes payable and other loans of $123 million consists entirely of fixed rate mortgage loan indebtedness with a weighted average interest rate of 5.9% at July 31, 2011. The mortgage loans with fixed interest rates are secured by 12 properties with a net book value of $187 million and have fixed rates of interest ranging from 5.0% to 11.3%. The Company made principal payments of $1.9 million in the nine months ended July 31, 2011 compared to $6.8 million (including the repayment of a mortgage note payable in the amount of $5.2 million) in the comparable period of fiscal 2010. The Company may refinance its mortgage loans, at or prior to scheduled maturity, through replacement mortgage loans. The ability to do so, however, is dependent upon various factors, including the income level of the properties, interest rates and credit conditions within the commercial real estate market. Accordingly, there can be no assurance that such refinancings can be achieved.

The Company has a $50 million Unsecured Revolving Credit Agreement (the "Facility") with The Bank of New York Mellon and Wells Fargo Bank N.A. The Facility gives the Company the option, under certain conditions, to increase the Facility's borrowing capacity up to $100 million. Borrowings under the Facility can be used for, among other things, acquisitions, working capital, capital expenditures, and repayment of other indebtedness and the issuance of letters of credit (up to $10 million). Borrowings will bear interest at the Company's option of the Eurodollar rate plus 0.85% to 1.15% or The Bank of New York Mellon's prime lending rate plus 0.50%. The Company will pay an annual fee on the unused commitment amount of up to 0.175% based on outstanding borrowings during the year. The Facility contains certain representations, financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at July 31, 2011. The maturity date of the Facility was February 11, 2011 with two one year extensions at the Company's option. In November of 2010, the Company exercised its first one year extension option; the new maturity date of the Facility is February 10, 2012. After the extension, the Company has one remaining one-year extension option available which would extend the maturity date to February of 2013.

In April 2011, the Company drew down $3 million on the Facility to fund a portion of its Fairfield Plaza acquisition. In July 2011, the Company drew down $1.5 million on the Facility to fund tenant improvements and capital expenditures.

The Company also has a Secured Revolving Credit Facility with the Bank of New York Mellon (the "Secured Credit Facility"). The Secured Credit Facility provides for borrowings of up to $30 million. Originally scheduled to expire April 15, 2011, the Company reached agreement with The Bank of New York Mellon to continue the Facility to May 16, 2011 while documentation for the three-year extension was completed. On May 16, 2011, the Company executed the extension agreement, which extended the maturity date until May 16, 2014. The Secured Credit Facility is collateralized by first mortgage liens on two of the Company's properties. Interest on outstanding borrowings is at prime plus 1.00% or the Eurodollar rate plus 2.00%. The Secured Credit Facility requires the Company to maintain certain debt service coverage ratios relating to the properties securing the Secured Credit Facility during its term. The Company was in compliance with such covenants at July 31, 2011. The Company pays an annual fee of 0.40% on the unused portion of the Secured Credit Facility. The Secured Credit Facility is available to fund acquisitions, capital expenditures, mortgage repayments, working capital and other general corporate purposes.

As of September 8, 2011, the Company has approximately $63.9 million available to be drawn down under its two revolving credit facilities.

In January 2011, a wholly-owned subsidiary of the Company completed the installation of a solar power system (the "Valley Ridge System") at the Company's Valley Ridge Shopping Center in Wayne, New Jersey at a total cost of approximately $1.1 million. The subsidiary of the Company financed a portion of the project with a loan in the amount of $726,000 from the Public Service Electric and Gas Company of New Jersey ("PSE&G"), through PSE&G's "Solar Loan Program I". The loan requires monthly payments of principal and interest at 11.11% per annum through its maturity date of January 31, 2026. The subsidiary of the Company has the option of repaying all or part of the PSE&G loan, including interest, with Solar Renewable Energy Credits ("SREC's") that are expected to be generated by the System. In addition the Company received $329,000 in the form of a renewable energy grant from the federal government.

In May 2011, a wholly-owned subsidiary of the Company completed the installation of a solar power system (the "Emerson System") at the Company's Emerson Shopping Center in Emerson, New Jersey at a total cost of approximately $1.2 million. The subsidiary of the Company financed a portion of the project with a loan in the amount of $819,000 from PSE&G, through PSE&G's "Solar Loan Program II". The loan requires monthly payments of principal and interest at 11.3% per annum through its maturity date of May 31, 2026. The subsidiary of the Company has the option of repaying all or part of the PSE&G loan, including interest, with SREC's that are expected to be generated by the System. Most of the remaining cost of the System is expected to be funded by a renewable energy grant from the federal government.

Off-Balance Sheet Arrangements

The Company has three off-balance sheet investments in real estate property including a 66.67% equity interest in the Putnam Plaza shopping center, an 11.6% equity investment in the Midway Shopping Center L.P. ("Midway") and a 20% economic interest in a partnership that owns a retail real estate investment. These unconsolidated joint ventures are accounted for under the equity method of accounting as we have the ability to exercise significant influence, but not control the operating and financial decisions of these investments. Our off-balance sheet arrangements are more fully discussed in Note 6, "Investments in and Advances to Unconsolidated Joint Ventures" in the accompanying financial statements.

Capital Expenditures

The Company invests in its existing properties and regularly incurs capital expenditures in the ordinary course of business to maintain its properties. The Company believes that such expenditures enhance the competitiveness of its properties. In the nine months ended July 31, 2011, the Company paid approximately $5.8 million for property improvements, tenant improvement and leasing commission costs (approximately $2.25 million representing recurring property improvements and approximately $3.5 million related to new tenant space improvements and leasing costs). The amounts of these expenditures can vary significantly depending on tenant negotiations, market conditions and rental rates. The Company expects to incur approximately $6.8 million predominantly for anticipated capital improvements and leasing costs related to new tenant leases during the balance of fiscal 2011 and fiscal 2012. These expenditures are expected to be funded from operating cash flows, bank borrowings or other financing sources.

Acquisitions and Significant Property Transactions

In April 2011, the Company, through a wholly owned subsidiary, completed the purchase of the 72,000 square foot Fairfield Plaza Shopping Center, in New Milford, Connecticut ("Fairfield Plaza") for a purchase price of $10.8 million, subject to an existing first mortgage secured by the property at its estimated fair value of approximately $5.0 million. The Company financed its investment in the property with available cash and a borrowing on its unsecured revolving credit facility. In conjunction with the purchase, the Company incurred acquisition costs totaling $53,000.

In April 2011, the Company entered into a contract to purchase a retail shopping center in located in its primary geographic area for a purchase price of $9 million, in conjunction with entering into the contract the Company placed a deposit in the amount of $450,000 with the seller which will be credited to the purchase price at closing.

In December 2010, the Company reached a lease termination settlement ("Settlement") with a former tenant in its Meriden shopping center in Meriden, CT. In accordance with the Settlement agreement the prior tenant was released from all its obligations under the aforementioned lease in exchange for a settlement payment to the Company. The Settlement agreement provides that the former tenant will pay the Company $3.3 million in 41 equal monthly payments of $80,000 and one final monthly payment of $20,000 without interest beginning on January 1, 2011. The Company has recorded the lease termination in the consolidated statement of income for nine month period ended July

31, 2011 in the amount of $2,988,000, which amount represents the present value of the 42 payments due to the Company under the Settlement agreement at a discount rate of 5.75% per annum. The Company will record the balance as interest income over the remaining payment term though June 1, 2014 in accordance with the effective yield method.

In December of 2010 and January of 2011, the Company and a wholly-owned subsidiary purchased the remaining 10% limited partner interests in the limited partnership that owns the Company's Ridgeway Shopping Center in Stamford, CT for $7.4 million. As a result of this transaction, the Company has a 100% ownership interest in the property at July 31, 2011.

During fiscal 2011, a subsidiary of the Company purchased an additional 1.675% interest in the Midway partnership for a purchase price of $798,000. As a result of the purchase the Company or its affiliates own approximately 11.6% of Midway and will continue to account for the investment under the equity method of accounting as we have significant influence but do not control the entity.

Non-Core Properties
In a prior year, the Company's Board of Directors expanded and refined the strategic objectives of the Company to refocus its real estate portfolio into one of self-managed retail properties located in the northeast and authorized the sale of the Company's non-core properties in the normal course of business over a period of several years. The Company's current non-core properties consist of two distribution service facilities (both of which are located outside of the northeast region of the United States).

The Company will consider selling these two remaining non-core properties as opportunities become available. The Company's ability to generate cash from asset sales is dependent upon market conditions and will be limited if market conditions make such sales unattractive. At July 31, 2011, the two remaining non-core properties have a net book value of approximately $592,000.

During the nine month period ended July 31, 2011, one of the non-core property's buildings in the amount of $933,000 became fully depreciated and the non-core asset's cost was written off with a corresponding reduction to accumulated depreciation.

Funds from Operations

The Company considers Funds from Operations ("FFO") to be an additional measure of an equity REIT's operating performance. The Company reports FFO in addition to its net income applicable to common stockholders and net cash provided by operating activities. Management has adopted the definition suggested by The National Association of Real Estate Investment Trusts ("NAREIT") and defines FFO to mean net income (computed in accordance with accounting principles generally accepted in the United State of America ("U.S. GAAP")) excluding gains or losses from sales of property, plus real estate related depreciation and amortization and after adjustments for unconsolidated joint ventures.

Management considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of its real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing the performance of the Company. It is helpful as it excludes various items included in net income that are not indicative of the Company's operating performance, such as gains (or losses) from sales of property and deprecation and amortization.

However, FFO:

§ does not represent cash flows from operating activities in accordance with U.S. GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); and

§ should not be considered an alternative to net income as an indication of the Company's performance.

FFO as defined by us may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs. The table below provides a reconciliation of net income applicable to Common and Class A Common Stockholders in accordance with U.S. GAAP to FFO for each of the three and nine months ended July 31, 2011 and 2010 (amounts in thousands).

	Nine Months Ended July 31,		Three Months Ended July 31,	
	2011	2010	2011	2010
Net Income Applicable to Common and Class A Common Stockholders	$ 14,764	$ 10,545	$ 4,249	$ 4,519
Real property depreciation	9,153	8,667	3,092	2,990
Amortization of tenant improvements and allowances	1,811	1,939	570	695
Amortization of deferred leasing costs	391	381	120	150
Depreciation and amortization on unconsolidated joint ventures	488	142	165	142
Loss on assets held for sale	-	300	-	-
Funds from Operations Applicable to Common and Class A Common	$ 26,607	$ 21,974	$ 8,196	$ 8,496

Stockholders				
Net Cash Provided by (Used in):				
Operating Activities	$ 33,212	$ 32,965	$ 11,435	$ 11,323
Investing Activities	$ (20,885)	$ (50,011)	$ (2,704)	$ (31,036)
Financing Activities	$ (26,190)	$ 9,284	$ (8,630)	$ (20,786)

FFO amounted to $26.6 million in the first nine months of fiscal 2011 compared to $22.0 million in comparable period of fiscal 2010. The net increase in FFO is attributable, among other things, to: a) lease termination income in the amount of $2,988,000 relating to a lease termination of a former tenant at the Company's Meriden property; b) an increase from the beginning of fiscal 2010 in the leased percentage at some of the Company's core properties which resulted in an increase in base rent billed, and common area maintenance and real estate tax reimbursement revenue billed and accrued at some of our properties owned in both periods; c) FFO related to $46.5 million in property investments in the second half of fiscal 2010 and $6.4 million in the first nine months of fiscal 2011; offset by d) an increase in general and administrative expenses predominantly related to an increase in restricted stock amortization expense; e) an increase of $449,000 in bad debt expense for the first nine months of fiscal 2011 when compared with 2010; and f) a loss of base rent related to vacancies at some of the Company's properties in the first half of fiscal 2011 (See more detailed explanations which follow).

Results of Operations

The following information summarizes the Company's results of operations for the nine month and three month periods ended July 31, 2011 and 2010 (amounts in thousands):

	Nine Months Ended July 31,				Change Attributable to:	
Revenues	2011	2010	Increase (decrease)	% Change	Property Acquisitions	Properties Held In Both Periods
Base rents	$ 48,100	$ 47,327	$ 773	1.6 %	$ 1,619	$ (846)
Recoveries from tenants	16,042	14,967	1,075	7.2 %	613	462
Other income	1,567	604	963	159.4 %	-	963
Operating Expenses						
Property operating expenses	10,982	10,372	610	5.9 %	368	242
Property taxes	10,853	10,070	783	7.8 %	293	490
Depreciation and amortization	11,386	11,022	364	3.3 %	386	(22)
General and administrative expenses	5,579	5,249	330	6.3 %	n/a	n/a
Other Income/Expenses						
Interest expense	5,853	5,607	246	4.4 %	299	(53)

	Three Months Ended July 31,				Change Attributable to:	
Revenues	2011	2010	Increase (decrease)	% Change	Property Acquisitions	Properties Held In Both Periods
Base rents	$ 15,986	$ 16,136	$ (150)	(0.9)%	$ 296	$ (446)
Recoveries from tenants	5,278	5,003	275	5.5 %	210	65
Other income	554	88	466	529.6 %	-	466

Operating Expenses						
Property operating expenses	3,319	3,054	265	8.7 %	63	202
Property taxes	3,628	3,423	205	6.0 %	40	165
Depreciation and amortization	3,793	3,845	(52)	(1.4)%	78	(130)
General and administrative expenses	1,848	1,722	126	7.3 %	n/a	n/a
Other Income/Expenses						
Interest expense	2,049	1,985	64	3.2 %	98	(34)

Revenues

Base rents increased by 1.6% to $48.1 million for the nine month period ended July 31, 2011 as compared with $47.3 million in the comparable period of 2010. Base rents decreased 0.9% to $16.0 million for the three months ended July 31, 2011 as compared with $16.1 million in the comparable period of 2010. The change in base rentals and the changes in other income statement line items were attributable to:

Property Acquisitions:

In fiscal 2010 and the second quarter of fiscal 2011, the Company purchased three properties totaling approximately 330,000 square feet of GLA. These properties accounted for all of the revenue and expense changes attributable to property acquisitions during the nine month and three month periods ended July 31, 2011. The remaining two property acquisitions made by the Company in fiscal 2010 are accounted for under the equity method of accounting and are not included in any of the variance analysis in the preceding charts on the consolidated financial statements.

Properties Held in Both Periods:

The net decrease in base rents for properties held during the nine month and three month periods ended July 31, 2011 compared to the same periods in fiscal 2010 was a result of a decrease in base rent revenue billed predominantly relating to vacancies for eight tenant spaces at five properties in the first nine months of fiscal 2011 that were leased for all or portions of the first nine months of fiscal 2010 resulting in a base revenue loss of $1,016,000 and $498,000 in the nine month and three month periods ended July 31, 2011, respectively. In addition, the decrease in base rent for the nine month period ended July 31, 2011 when compared with the corresponding period in fiscal 2010 was also the result of the Company renewing its two leases on its two Chrysler warehouse properties in the first quarter of fiscal 2010 at a lower rental rate than the expiring rate, and an increase in bad debt expense, which together reduced base rent revenue by an additional $664,000 and $148,000 in the nine and three month periods ended July 31, 2011, respectively. The decrease was also caused by a decline in straight line rent revenue accrued for the nine month and three month periods ended July 31, 2011 by $230,000 and $132,000, respectively. This decrease was offset by significant new leasing completed in the second half of fiscal 2010 and fiscal 2011 at six of the Company's properties which increased base rental revenue by $862,000 and $222,000 in the nine month and three month periods ended July 31, 2011, respectively and normal increases in rental rates for in place leases for existing tenants over the both the nine month and three month periods ended July 31, 2011. For the first nine months of fiscal 2011, the Company leased or renewed approximately 353,000 square feet (or approximately 8.3% of total consolidated property leasable area). At July 31, 2011 the Company's core properties were approximately 92% leased. Overall core property occupancy increased to 91% at July 31, 2011 from 90% at October 31, 2010.

In the nine month period ended July 31, 2011, recoveries from tenants for properties owned in both periods (which represents reimbursements from tenants for operating expenses and property taxes) increased by a net $462,000. This net increase was a result of a higher operating expenses at its properties held in both periods of $242,000 for the nine month period ended July 31, 2011 relating predominantly to an increase in snow removal costs and parking lot maintenance and an increase in real estate tax expense as a result of increased municipal tax assessments at a majority of the Company's properties when compared to the corresponding periods in fiscal 2010. Recoveries from tenants for properties owned in the three month period ended July 31, 2011 were relatively unchanged.

Other income increased by $963,000 and $466,000 in the nine month and three month period ended July 31, 2011, respectively when compared with the corresponding periods from the prior year as a result of increased management fees on non-owned properties. In addition, the increase was a result of the Company recording revenue relating to an estimated insurance settlement for a fire at one of its properties in the second quarter of fiscal 2011.

Expenses
Property operating expenses for properties held in both periods increased by $242,000 and $202,000 in the nine month and three month periods ended July 31, 2011, respectively, largely due to an increase in snow removal costs and parking lot maintenance when compared with the corresponding periods of fiscal 2010.

Real estate taxes for properties held in both periods increased by $490,000 and $165,000 in the nine month and three month periods ended July 31, 2011, respectively, when compared with the same periods of fiscal 2010 as a result of increased tax rates and assessments on our properties by municipalities where the properties are located.

Interest expense for properties held in both periods was relatively unchanged in the three and nine month periods ended July 31, 2011, when compared to corresponding periods in fiscal 2010 as a result of the Company incurring additional mortgage debt in conjunction with two of its property acquisitions in fiscal 2010 and 2011 offset by scheduled principal payments on mortgage notes payable in the amount of $1.9 million for the nine months ended July 31, 2011 and the repayment of $5.2 million in mortgage debt in December 2009 (fiscal 2010).

Depreciation and amortization expense from properties held in both periods was relatively unchanged during the three month and nine month periods ended July 31, 2011 compared to the corresponding periods of fiscal 2010.

General and administrative expenses increased by a net $330,000 and $126,000 in the nine and three month periods ended July 31, 2011, respectively, when compared to the corresponding periods in fiscal 2010, primarily due to an increase in restricted stock compensation amortization expense offset by a reduction in legal and consulting costs.

Inflation

The Company's long-term leases contain provisions to mitigate the adverse impact of inflation on its operating results. Such provisions include clauses entitling the Company to receive (a) scheduled base rent increases and (b) percentage rents based upon tenants' gross sales, which generally increase as prices rise. In addition, many of the Company's non-anchor leases are for terms of less than ten years, which permits the Company to seek increases in rents upon renewal at then current market rates if rents provided in the expiring leases are below then existing market rates. Most of the Company's leases require tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

Environmental Matters

Based upon management's ongoing review of its properties, management is not aware of any environmental condition with respect to any of the Company's properties that would be reasonably likely to have a material adverse effect on the Company. There can be no assurance, however, that (a) the discovery of environmental conditions that were previously unknown, (b) changes in law, (c) the conduct of tenants or (d) activities relating to properties in the vicinity of the Company's properties, will not expose the Company to material liability in the future. Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures or may otherwise adversely affect the operations of the Company's tenants, which could adversely affect the Company's financial condition and results of operations.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, commodity prices and equity prices. The primary market risk to which we are exposed is interest rate risk, which is sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors that are beyond the Company’s control.

Interest Rate Risk

The Company is exposed to interest rate risk primarily through its borrowing activities. There is inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and the Company’s future financing requirements.

As of July 31, 2011, the Company had $16.1 million in outstanding variable rate (based on LIBOR) debt. In July of 2010 the Company entered into an interest rate swap derivative financial instrument with BNY Mellon to fix the interest rate on $11.6 million of variable rate debt at 1.22% (2.07% total when including the 0.85% interest rate spread required under the Facility) until January 2, 2013.

We may seek additional variable-rate financing if and when pricing and other commercial and financial terms warrant. As such, we would consider hedging against the interest rate risk related to such additional variable-rate debt through interest rate swaps and protection agreements, or other means.

The Company does not enter into any derivative financial instrument transactions for speculative or trading purposes. The Company believes that its weighted average interest rate of 5.9% on its fixed rate debt is not materially different from current fair market interest rates for debt instruments with similar risks and maturities.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures
The Company’s Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures are effective.

Changes in Internal Controls
During the quarter ended July 31, 2011, there were no significant changes in the Company’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not involved in any litigation that in management's opinion would result in a material adverse effect on the Company's ownership, management or operation of its properties.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Previously, the Board of Directors of the Company approved a share repurchase program ("Program") for the repurchase of up to 1,500,000 shares in the aggregate of Common Stock, Class A Common Stock, Series C Preferred Stock or Series D Preferred Stock. There were no purchases of either Common, Class A Common Stock or Preferred Stock under the Program during any month in the quarter ended July 31, 2011 and there is no assurance that the Company will repurchase the full amount of shares authorized. Any combination of either Common Stock, Class A Common Stock or Preferred Stock not exceeding 771,822 shares, in the aggregate, may yet be purchased under the Program.

Item 6. Exhibits

31.1 Certification of the Chief Executive Officer of Urstadt Biddle Properties Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.

31.2 Certification of the Chief Financial Officer of Urstadt Biddle Properties Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.

32 Certification of the Chief Executive Officer and Chief Financial Officer of Urstadt Biddle Properties Inc. pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

101 The following materials from Urstadt Biddle Properties Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 31, 2011, formatted in XBRL (Extensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Income, (3) the Consolidated Statement of Shareholders' Equity, (4) the Consolidated Statements of Cash Flows, and (5) Notes to Consolidated Financial Statements that have been blocked tagged.

S I G N A T U R E S

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.

URSTADT BIDDLE PROPERTIES INC.
(Registrant)

By: /s/ Charles J. Urstadt
Charles J. Urstadt
Chairman and
Chief Executive Officer

By : /s/ John T. Hayes
John T. Hayes
Senior Vice President &
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)

Dated: September 8, 2011

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EXHIBIT INDEX

Exhibit No.	
31.1	Certification of the Chief Executive Officer of Urstadt Biddle Properties Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer of Urstadt Biddle Properties Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
32	Certification of the Chief Executive Officer and Chief Financial Officer of Urstadt Biddle Properties Inc. pursuant to Section 906 of Sarbanes-Oxley Act of 2002
101	The following materials from Urstadt Biddle Properties Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 31, 2011, formatted in XBRL (Extensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Income, (3) the Consolidated Statement of Shareholders' Equity, (4) the Consolidated Statements of Cash Flows, and (5) Notes to Consolidated Financial Statements that have been blocked tagged.