

HILLENBRAND 

Platforms *for* Growth

Global Hunter Securities Industrial Day

August 23, 2012

Disclosure regarding forward-looking statements

Throughout this presentation, we make a number of “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. As the words imply, these are statements about plans, objectives, beliefs, and expectations that might or might not happen in the future, as contrasted with historical information. Forward-looking statements are based on assumptions that we believe are reasonable, but by their very nature are subject to a wide range of risks.

Accordingly, in this presentation, we may say something like,

“We expect that future revenue associated with the Process Equipment Group will be influenced by order backlog.”

That is a forward-looking statement, as indicated by the word “expect” and by the clear meaning of the sentence.

Other words that could indicate we are making forward-looking statements include:

intend	believe	plan	expect	may	goal	would
become	pursue	estimate	will	forecast	continue	could
targeted	encourage	promise	improve	progress	potential	should

This is not an exhaustive list. Our intent is to provide examples of how readers might identify forward-looking statements. The absence of any of these words, however, does not mean that the statement is not forward-looking.

Here is the key point: Forward-looking statements are not guarantees of future performance, and actual results could differ materially from those set forth in forward-looking statements. Any number of factors — many of which are beyond our control — could cause our performance to differ significantly from what is described in the forward-looking statements.

For a discussion of factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading “Risk Factors” in Item 1A of the Form 10-K for the year ended September 30, 2011. We assume no obligation to update or revise any forward-looking statements.

Agenda

Hillenbrand

a global diversified industrial company

Process Equipment Group (PEG)

our high-growth-potential business platform

Batesville

our time-tested and highly profitable market leader

Select Financial Results

Hillenbrand is an attractive investment opportunity

Cash Generation

- Both Batesville and the Process Equipment Group are market leaders and proven cash generators
- Strong balance sheet and stable cash flow support the Hillenbrand growth strategy

Growth Opportunity

- The Process Equipment Group provides significant global growth opportunities and diversification
- Growth is enhanced by leveraging our core competencies
- Further acquisitions will provide additional profitable growth and diversification

Strong Dividend

- Meaningful return of cash to shareholders, including an attractive dividend yield
- Annual dividend increases since HI inception (2008)

History and Culture of Execution

- Proven, results-oriented management teams with operational, public company and acquisition expertise
- Strong core competencies in lean business
- Long track record of increasing revenues and carefully managing expenses



Hillenbrand Profile

Growth strategy focuses on creating shareholder value

Leverage our strengths and core competencies to diversify and grow profitably



Criteria for future acquisition candidates include:

- Attractive margins, strong cash generation and multiple pathways for growth
- Strong brand in its defined space
- Talented, proven management with close customer relationships
- Robust sales and marketing capabilities
- Strong cultural fit with Hillenbrand
- Ability to benefit from our core competencies and share its own competitive strengths

Hillenbrand has grown significantly since 2008 and now operates on two separate platforms

2008 Hillenbrand, Inc.

HI
LISTED
NYSE

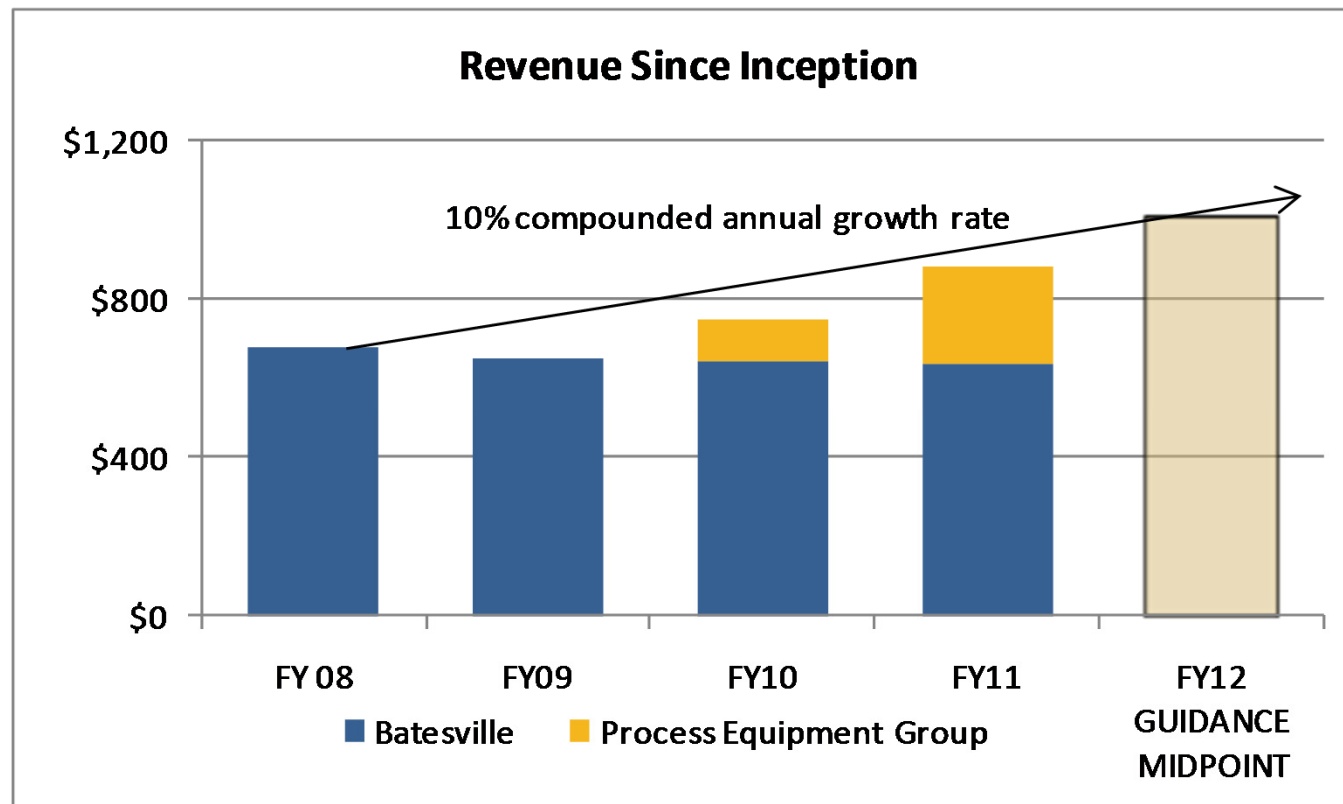
Hillenbrand begins operation as a public company on the Batesville foundational platform
– April 1, 2008

2010 K-Tron

Hillenbrand acquires K-Tron International, Inc. (now part of the Process Equipment Group)
– April 1, 2010

2011 Rotex

Hillenbrand acquires Rotex (also part of the Process Equipment Group)
– August 31, 2011



HI platforms manufacture an array of premium products with substantial brand value and recognition

HILLENBRAND



Batesville

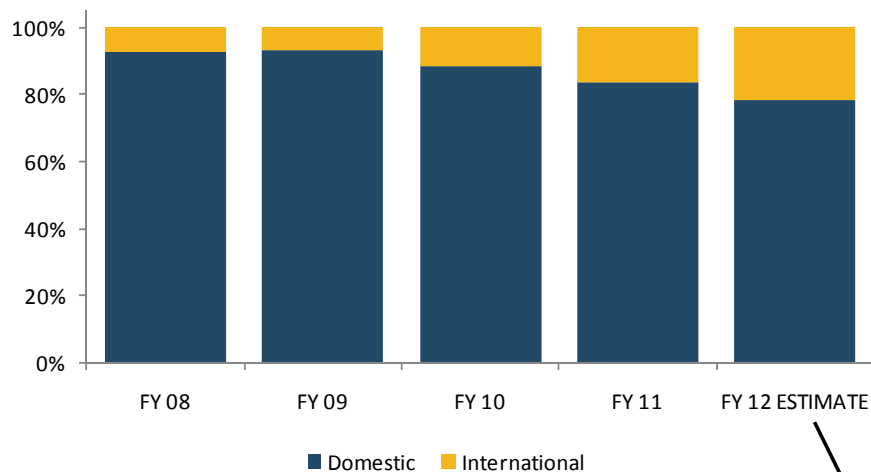
- Founded in 1906 and dedicated for more than 100 years to *helping families honor the lives of those they love*®
- Provides the highest quality burial and cremation products to funeral directors and their client families
- North American leader in funeral products due to a history of manufacturing excellence, product innovation, superior customer service and reliable delivery

Process Equipment Group

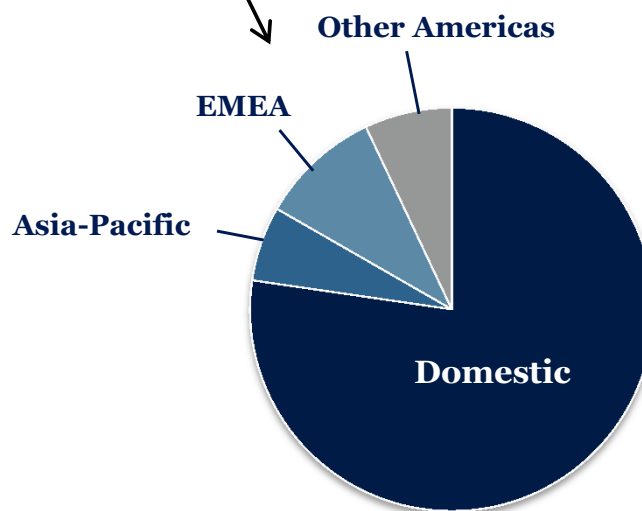
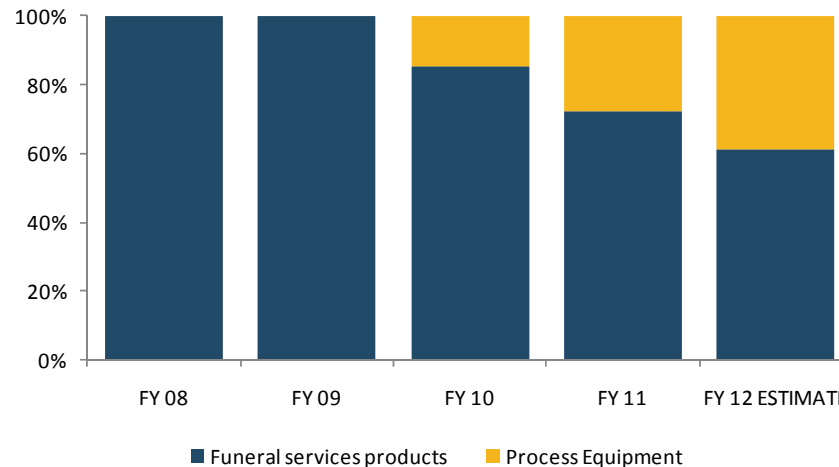
- Leading global providers of bulk solids material handling equipment and systems for a wide variety of manufacturing and other industrial processes
- Serves customers through three operating companies:
 - **K-Tron** – Material handling systems, feeders and pneumatic conveying equipment, parts and services
 - **TerraSource Global**– Size reduction equipment, conveying systems and screening equipment, parts and services
 - **Rotex** – Dry material separation machines and replacement parts and accessories

Hillenbrand's growth strategy has provided diversification both in location and products

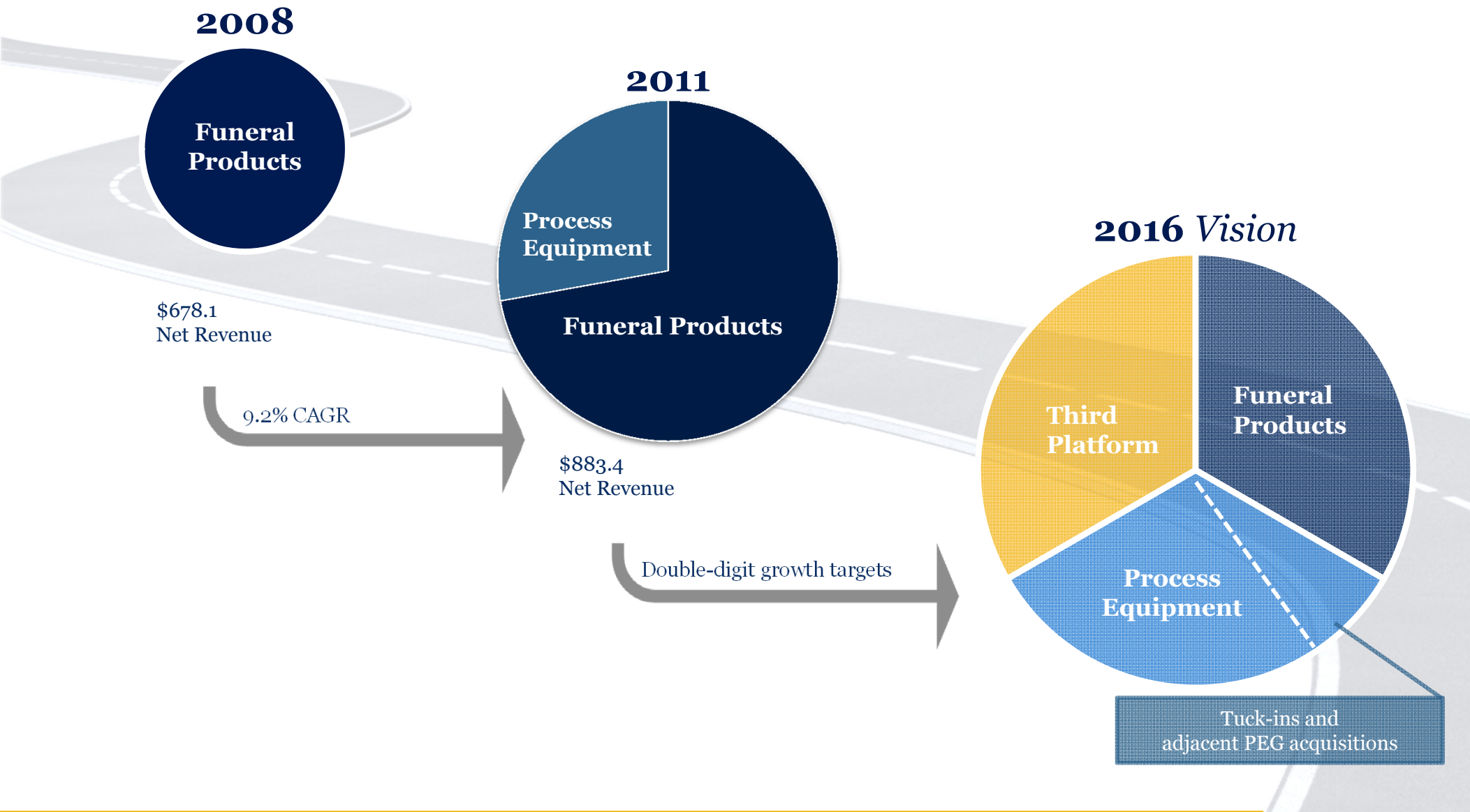
Hillenbrand Revenue Mix by Geography



Hillenbrand Revenue Mix by Platform



Our strategy is designed to continue growth both organically and through acquisitions



Hillenbrand has compelling investment characteristics

Strong Cash Generation

- Free cash flow as a percent of Revenue averages 17% over the prior 3 year period; 19% in FY11
- Low cap-ex needs

Growth Upside AND Economic Downside Protection

- Demonstrated Process Equipment Group growth (25% organic growth in FY11; 18% excluding fx)
- Process Equipment Group's demonstrated ability to dampen economic downturn impact
- Batesville stability

Relentless Focus on Lean Business

- EBITDA % of Revenue averages 23% over the prior 3 year period; 22% in FY11
- Multiple IndustryWeek Top 10 Best Plant awards
- Lean success in non-manufacturing areas

Differentiated Product Offerings

- Mission critical, premium brands yield premium returns
- Gross margin of 40%

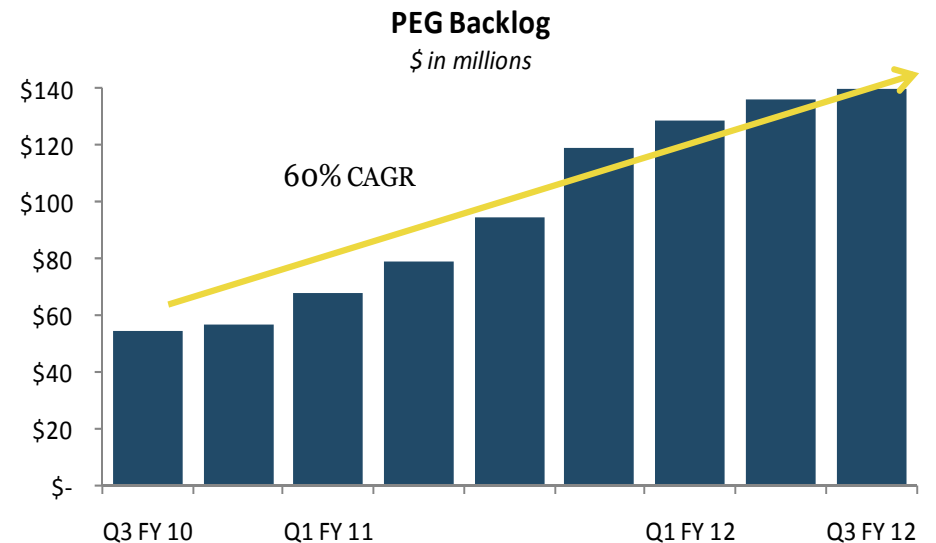
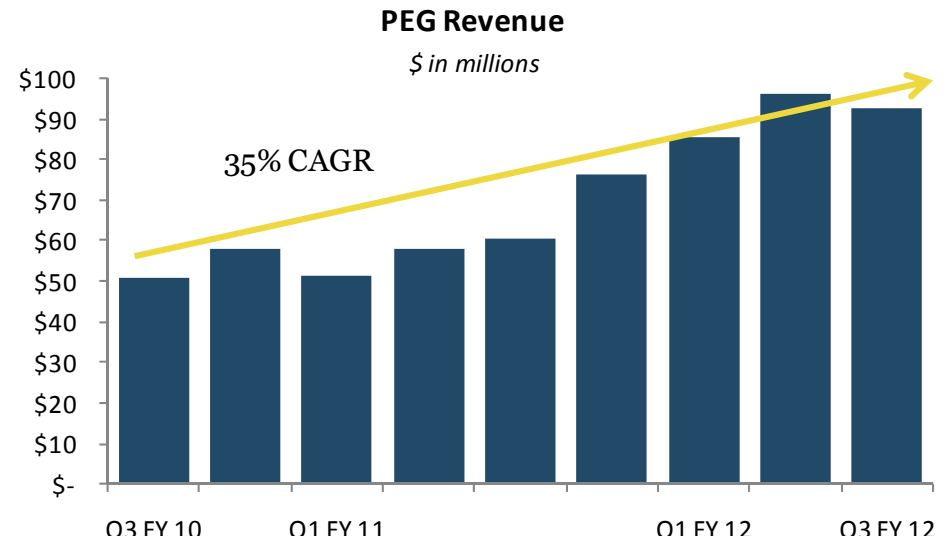


Process Equipment Group Overview

The Process Equipment Group

Strong growth potential both in industries and geographies

- History of 10% organic revenue growth (pre-acquisition) – 14% YTD over prior year at Q3 FY12
- Significant opportunities to expand into global growth markets
- Robust backlog levels
- Development of lean business skills to reduce costs, improve customer satisfaction and shorten lead times
- History of long-term customer relationships in key industries: plastics, minerals, food, etc.



The Process Equipment Group

Expansion supported by multiple drivers and strategies

Mega Trends

- Global population growth
- Rising demand for food and energy
- End markets growing at GDP+
- Expanding global middle-class

Strategic Changes

- Improve infrastructure to leverage opportunities between companies
- Pursue acquisitions that enhance organic growth
- Improve the re-order rate to drive sales of parts for existing equipment

Key Growth Drivers

Geographic Expansion

- Capitalize on strong international demand by optimizing sales channels globally

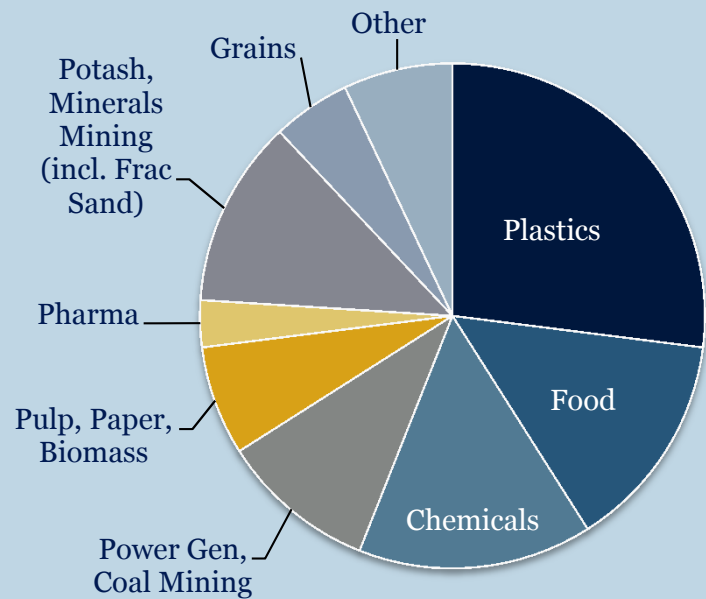
Enhanced Capabilities

- Promote and enhance systems solutions
- Utilize lean competencies to reduce costs, improve quality, and reduce lead times

The Process Equipment Group

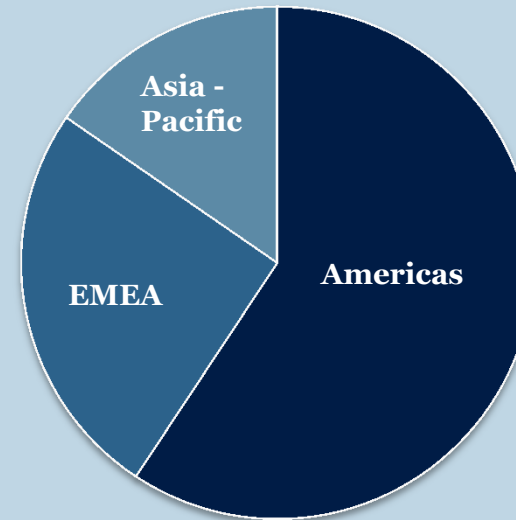
Highly diversified by industry and geography

Revenue Mix by Industry



FY 2011

Revenue Mix by Geography

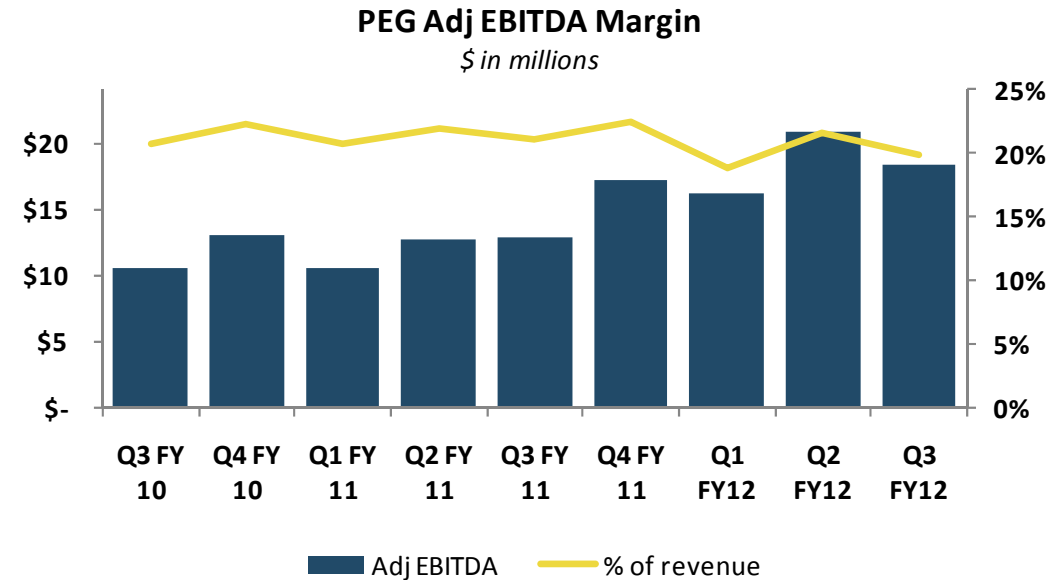


FY 2011

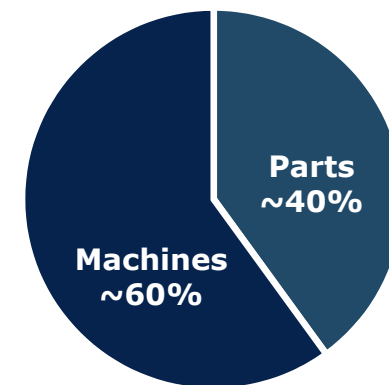
The Process Equipment Group

Attractive financial profile

- 20% + adjusted EBITDA margin
- High level of growth and profitability...plus, ability to manage through economic downturns:
 - “Wear” parts yield stable revenue and attractive margins
 - Backlog provides near-term predictability for revenue
 - Independent sales rep networks are variable costs
 - Outsourced non-core competencies



PEG Revenue Mix



The Process Equipment Group

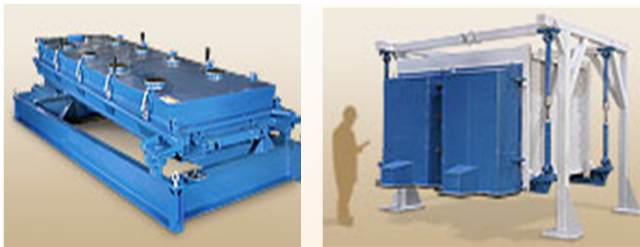
Manufacturing world-class industrial processing equipment



Leader in feeders,
pneumatic conveying and
systems solutions



Leader in crushers and
Biomass handling equipment



Leader in industrial screening
And separating equipment



Batesville Overview

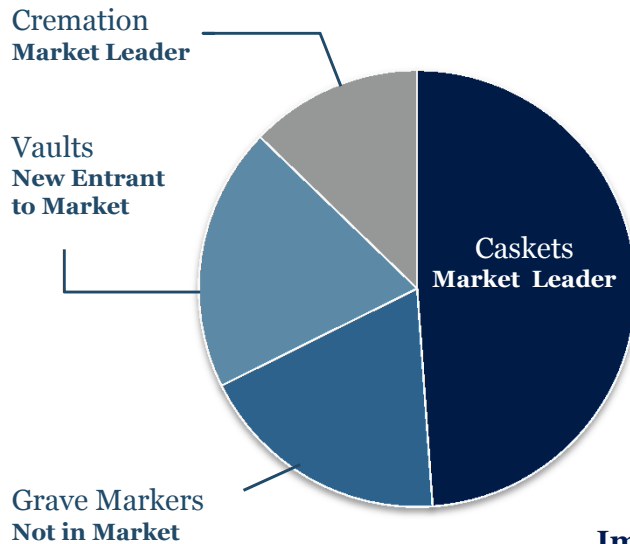


Batesville

The largest segment of the funeral products industry

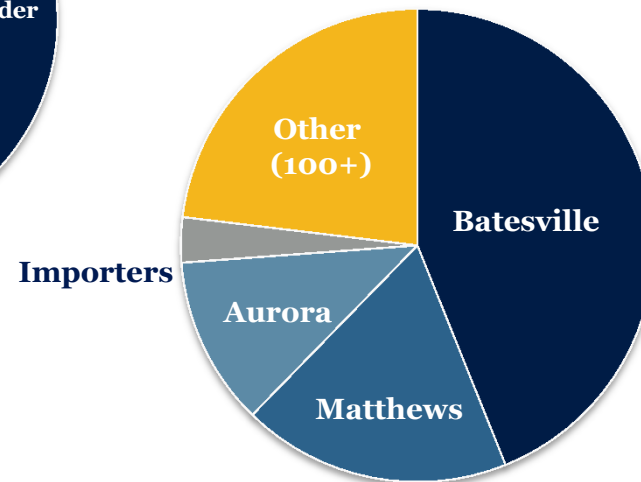
Funeral Products

(\$2.6 Billion Industry)



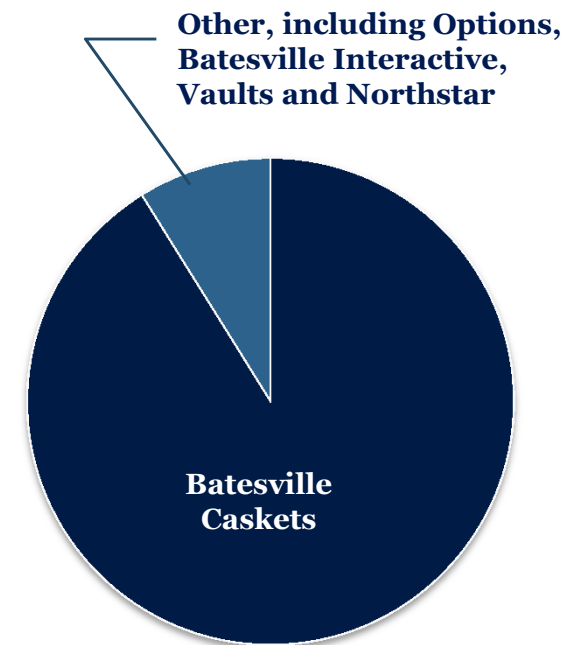
Caskets

(Total Revenue \$1.3 Billion)



Batesville

(Total 2011 Revenue: \$638 Million)



Source: Company estimates, industry reports and public filings for FY 2011

Batesville market conditions

Batesville continues to post steady results in an evolving industry

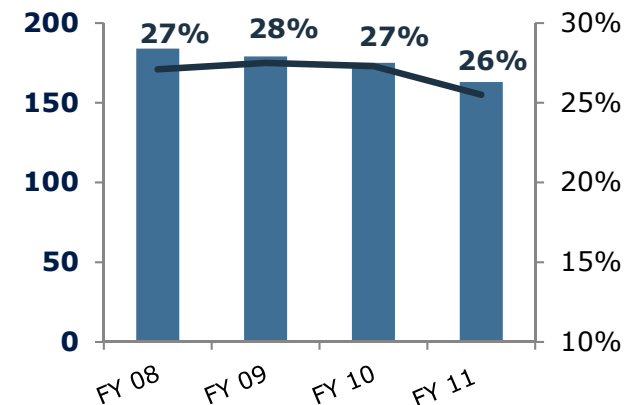
Attractive Financials

- Historically high return on invested capital (approximately 60%)
- Gross margins in the 40% range; operating margins in the mid- 20% range
- We accomplish this by:
 - ✓ Providing a broad portfolio of premium products
 - ✓ Leveraging our high-velocity distribution system
 - ✓ Focusing on lean business practices to improve the cost structure

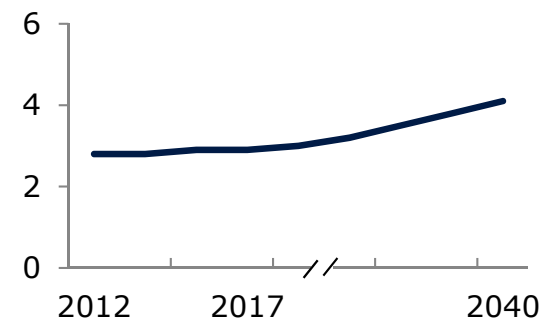
Industry Dynamics

- Deaths have been declining as healthcare improvements extend life expectancy
- Cremations are increasing at an upward trend of approximately 120-140 basis points per year
- As a result, demand for burial caskets has been declining slowly
- Competition has become more aggressive, especially on price

Operating Profit and Margins



Estimated Deaths (Millions)



Batesville

Commanding a premium as the industry's most respected brand

Brands	   
Product Lines	Caskets, Cremation Products, Vaults, E-business Suite
Sample Products	     

World's Largest Casket Manufacturer

- Iconic brand with 100+ years of history
- Industry leader: volume, revenue and margin share
- Superior mix of products
- Brand of choice for funeral directors' families

Unparalleled Commitment

- Top-quality product manufacturer
- Best-in-class service
- Innovation leader
- Highly valued business partner

Batesville

Optimize casket business, capitalize on growth opportunities and improve margin

Optimize the Profitable Casket Business

- New Product Development
- Merchandising/Sales



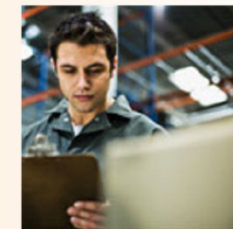
Capitalize on Growth Opportunities

- Options cremation products
- Batesville Interactive
- ENDURA Burial Vaults



Improve Margin

- Operational excellence
- Lean manufacturing and distribution
- Continuous improvement in all business processes





Financial Overview

Hillenbrand 2011 results

Net revenue up 18%; Adj. EBITDA up 9%; EPS up 2%

- The Process Equipment Group grew year-over-year organic revenue by 25% (18% net of fx)
- Completion of Rotex acquisition added one month of sales to already strong PEG results
- Acquisition-related costs affected EBITDA, EPS and cash flow
- Collection of the Forethought Note was a primary driver in year-over-year increase in cash flow from operations
- FY11 results exceeded guidance at both revenue and bottom-line performance

FISCAL YEAR ENDED SEPTEMBER 30			
\$ IN MILLIONS (except EPS)	2011	2010	2011 Guidance
Net Revenue	\$883.4	\$749.2	\$855 - \$875
% Y/Y Growth	17.9%	15.4%	
EBITDA (Adjusted)	\$208.4	\$191.2	
% of Revenue	23.6%	25.5%	
EPS (GAAP)	\$1.71	\$1.49	\$1.69-\$1.75
EPS (Adjusted)	\$1.84	\$1.80	\$1.72 - \$1.78
Cash Flows from Operations	\$189.5	\$118.2	

See the 10-K for reconciliation between GAAP and adjusted balances for the years ended September 30, 2011 and 2010.

Hillenbrand Q3 2012

Net revenue up 13%; Process Equipment Group up 53% (39% of total revenue)

- Top- and bottom-line results were strengthened as a result of our acquisition strategy to diversify holdings
- The Process Equipment Group grew year-over-year revenue by 53%, delivering 5% organic revenue growth
- Order backlog for the Process Equipment Group continued to grow sequentially, ending the quarter at \$140 million – 3% higher than Q2 2012
- Batesville’s revenue dropped 3% from prior year due to an estimated 5% decline in the burial market.

THIRD QUARTER ENDED June 30

	Q3 2012	Q3 2011
\$ IN MILLIONS (except EPS)		
Net Revenue	\$238	\$211
% Y/Y Growth	13%	3%
EBITDA (Adjusted)	\$45	\$45
% of Revenue	19%	21%
EPS (GAAP)	\$0.34	\$0.36
EPS (Adjusted)	\$0.37	\$0.38
Cash Flows from Operations*	\$50	\$43

See the 10-Q for reconciliation between GAAP and adjusted balances for the quarters ended June 30, 2012 and 2011

*Cash flow excludes the one-time receipt for the collection of the Forethought Note in 2011.

Hillenbrand Q3 YTD 2012

Net revenue up 12%; Process Equipment Group up 62% (38% of total revenue)

- Top- and bottom-line results were strengthened as a result of our acquisition strategy to diversify holdings
- The Process Equipment Group grew year-over-year revenue by 62%, delivering 14% organic revenue growth
- Operating cash flow increased 15% excluding the one-time receipt for the collection of the Forethought Note in 2011.

NINE MONTHS ENDED June 30

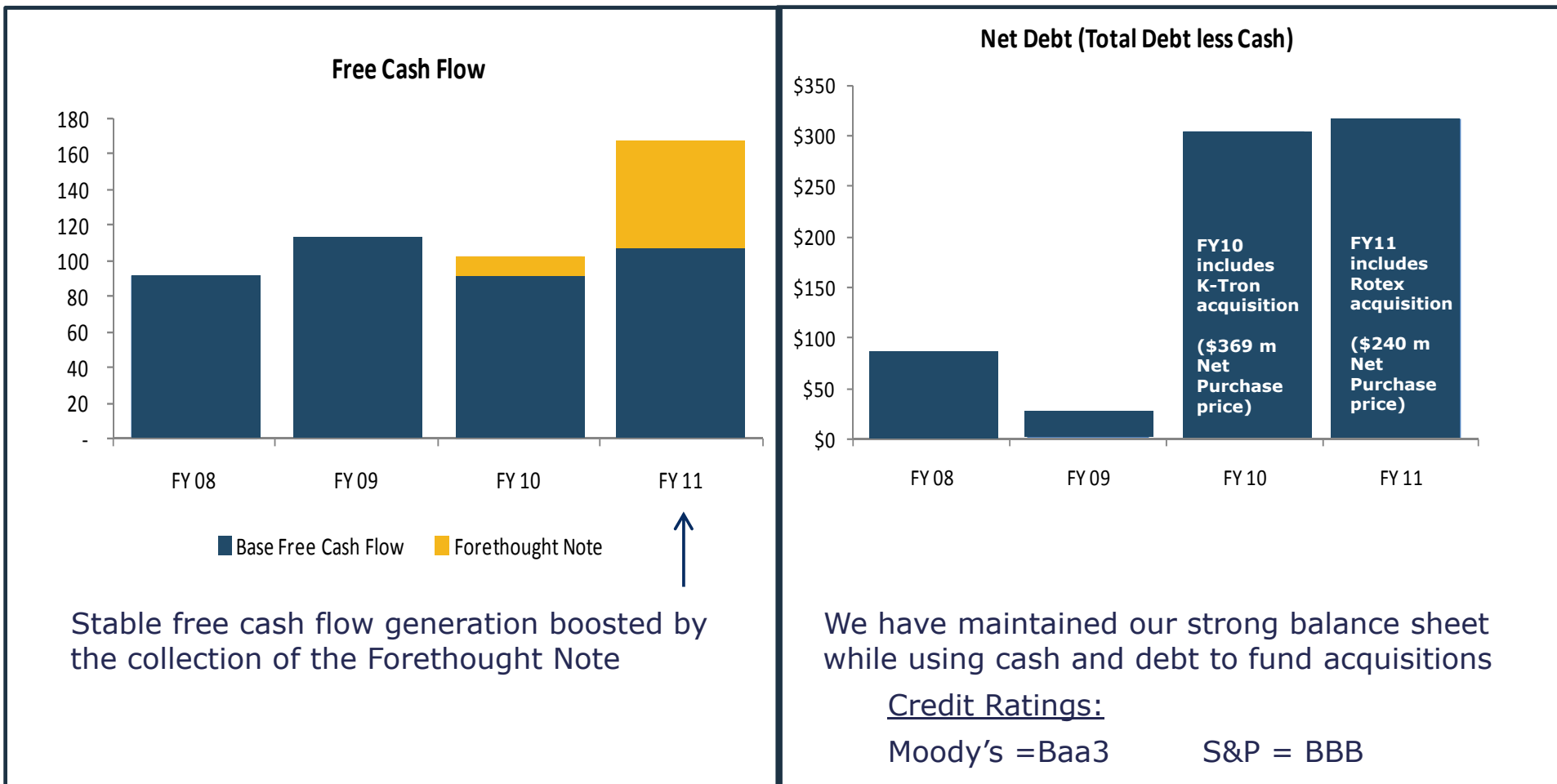
	Q3 2012	Q3 2011
\$ IN MILLIONS (except EPS)		
Net Revenue % Y/Y Growth	\$730 12%	\$652 21%
EBITDA (Adjusted) % of Revenue	\$151 21%	\$156 24%
EPS (GAAP)	\$1.28	\$1.33
EPS (Adjusted)	\$1.26	\$1.36
Cash Flows from Operations*	\$110	\$96

See the 10-Q for reconciliation between GAAP and adjusted balances for the nine months ended June 30, 2012 and 2011

*Cash flow excludes the one-time receipt for the collection of the Forethought Note in 2011.

Hillenbrand 2011 results

Net debt of only \$312 million – even after \$612 million in acquisitions



Hillenbrand capital deployment

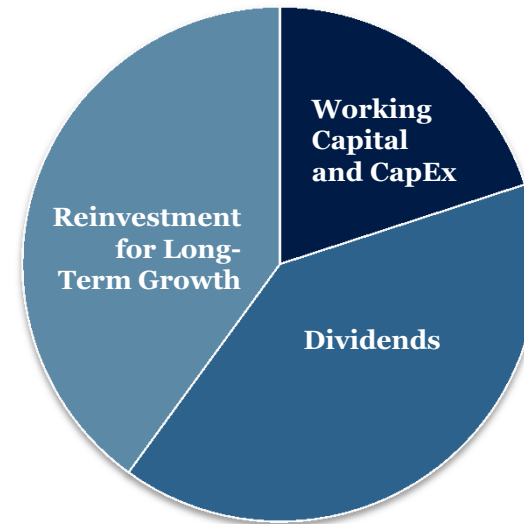
Focus is on creating shareholder value

Reinvestment for long-term growth

- Invest to support organic growth
- Acquire quality businesses with growth potential in the Process Equipment Group space
- Acquire new platform

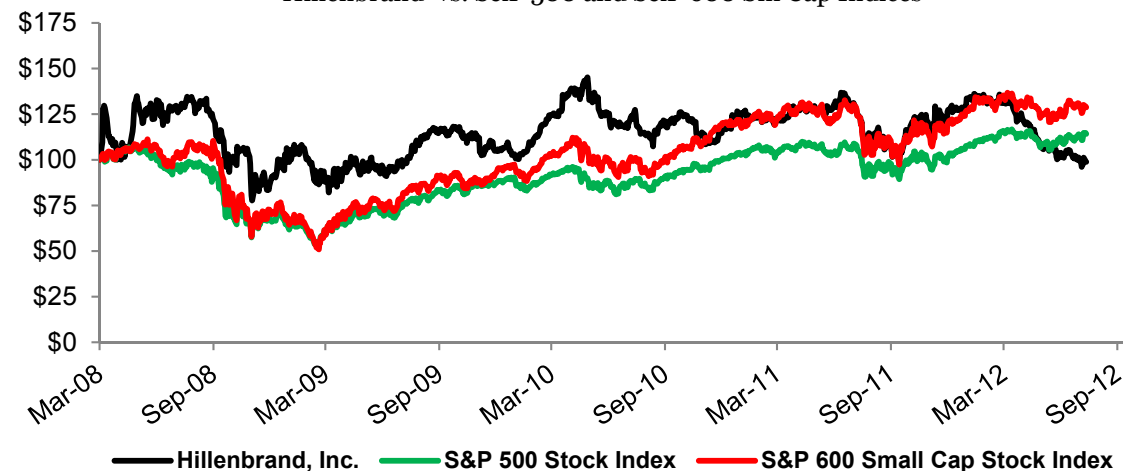
Meaningful dividend

- Annual dividend in 2011 was \$.76 per share, which was equivalent to a 44% payout ratio (41% adjusted)
- We have increased our dividend by 1¢ per share for each year of our existence (*4 consecutive years*)
- Attractive dividend yield: 3.71% (*5/1/12*)



Shareholder Value

Hillenbrand vs. S&P 500 and S&P 600 Sm Cap Indices



Hillenbrand FY12 guidance

We anticipate revenues to reach near the \$1 billion mark, while bottom line growth is masked by year-to-year non-comparables

(amounts in millions, except per share data)

2012 Guidance Summary	2011	FY 2012 Range	
		Low	High
Net revenue / constant currency growth	\$883.4	13%	15%
GAAP EPS	\$1.71	\$1.70	\$1.78
Adjusted EPS	\$1.84	\$1.68	\$1.76

- FY11 included \$.13 of investment income (Forethought Note and limited partnership income) that won't repeat in FY12
- FY12 adjusted EPS includes \$.05 of intangible asset amortization from the Rotex acquisition, but excludes the final \$.03 of backlog amortization from the acquisition

Hillenbrand is an attractive investment opportunity

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- Both Batesville and the Process Equipment Group are market leaders and proven cash generators
- Strong balance sheet and stable cash flow support the Hillenbrand growth strategy

Growth Opportunity

- The Process Equipment Group provides significant global growth opportunities and diversification
- Growth is enhanced by leveraging our core competencies
- Further acquisitions will provide additional profitable growth and diversification

Strong Dividend

- Meaningful return of cash to shareholders, including an attractive dividend yield
- Annual dividend increases since HI inception (2008)

History and Culture of Execution

- Proven, results-oriented management teams with operational, public company and acquisition expertise
- Strong core competencies in lean business
- Long track record of increasing revenues and carefully managing expenses



Questions?



Appendix

Disclosure regarding non-GAAP measures

While we report financial results in accordance with accounting principles generally accepted in the United States (GAAP), We also provide certain non-GAAP operating performance measures. These non-GAAP measures exclude the tax benefit of the international integration described in Item 1, expenses associated with long-term incentive compensation related to the international integration, backlog amortization, antitrust litigation, business acquisitions, restructuring, and sales tax adjustments, as well as the related income tax. This non-GAAP information is provided as a supplement, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

We use this information internally to make operating decisions and believe it is helpful to investors because it allows more meaningful period-to-period comparisons of our ongoing operating results. The information can also be used to perform trend analysis and to better identify operating trends that may otherwise be masked or distorted by these types of items. Finally, the Company believes such information provides a higher degree of transparency for certain items. Investors should consider non-GAAP measures in addition to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

Hillenbrand financials

FY 2011 & 2010 GAAP net income to adjusted EBITDA reconciliation

(amounts in millions, except per share data)

	Years Ended September 30,	
	2011	2010
GAAP net income	\$106.1	\$92.3
Interest income	(7.4)	(13.0)
Interest expense	11.0	4.2
Income tax expense	51.7	54.1
Depreciation and amortization	36.1	28.2
EBITDA	197.5	165.8
Antitrust litigation	1.3	5.0
Inventory step-up	2.8	11.6
Business acquisition	6.3	10.5
Sales tax adjustment	(0.8)	(4.7)
Restructuring	1.3	3.0
EBITDA – adjusted	\$208.4	\$191.2

Hillenbrand financials

FY 2011 & 2010 GAAP net income to adjusted net income reconciliation

(amounts in millions, except per share data)

	Years Ended September 30,	
	2011	2010
GAAP net income	\$106.1	\$92.3
Antitrust litigation	1.3	5.0
Inventory step-up	2.8	11.6
Backlog step-up	0.8	1.7
Business acquisition costs	6.3	10.5
Sales tax adjustment	(0.8)	(4.7)
Restructuring	1.3	3.0
Income tax on adjustments	(4.0)	(7.8)
Net income – adjusted	\$113.8	\$111.6
EPS – adjusted	\$1.84	\$1.80

Hillenbrand financials

FY 2011 & 2010 GAAP Balance Sheet

(amounts in millions)

	Years Ended September 30,	
	2011	2010
Assets		
Current assets	\$380.1	\$324.4
Other assets	800.6	724.5
Total assets	\$1,180.7	\$1,048.9
Liabilities		
Current liabilities	\$136.2	\$118.0
Other long-term liabilities	601.4	559.0
Total Liabilities	\$737.6	\$677.0
Shareholders' Equity		
Total shareholders' equity	\$443.1	\$371.9
Total liabilities & shareholders' equity	\$1,180.7	\$1,048.9

Hillenbrand financials

FY 2011 & 2010 GAAP cash flow

(amounts in millions)

	Years Ended September 30,	
	2011	2010
Operating Activities		
Net income	\$106.1	\$92.3
Depreciation & amortization	36.1	28.2
Interest income on Forethought Note	(6.4)	(12.0)
Forethought Note interest payment	59.7	10.0
Change in working capital	(16.4)	16.9
Other, net	10.4	(17.2)
Net cash flow from operating activities (A)	\$189.5	\$118.2
Capital expenditures (B)	\$(21.9)	\$(16.3)
Forethought Note principal repayment	91.5	—
Acquisitions of business, net of cash acquired	(240.9)	(371.5)
Proceeds from redemption and ARS and investments	12.4	37.2
Debt activity	28.1	334.2
Dividends	(46.9)	(46.2)
Stock repurchase	(3.8)	—
Other	9.1	7.6
Net change in cash	\$17.1	\$63.2
Free cash flow (A-B)	\$167.6	\$101.9