

HILLENBRAND



*Platforms for Growth*

June 2013

# 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, forward-looking statements are statements about the future, as contrasted with historical information. Our forward-looking statements are based on assumptions and current expectations of future events that we believe are reasonable, but by their very nature they are subject to a wide range of risks. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand's expectations and projections.

Words that could indicate we're making forward-looking statements include the following:

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

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's the key point:** *Forward-looking statements are not guarantees of future performance, and our actual results could differ materially from those set forth in any 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. These factors include, but are not limited to: the outcome of any legal proceedings that may be instituted against Hillenbrand, or any companies we may acquire; risks that an acquisition disrupts current operations or poses potential difficulties in employee retention or otherwise affects financial or operating results; the ability to recognize the benefits of an acquisition, including potential synergies and cost savings or the failure of an acquired company to achieve its plans and objectives generally; global market and economic conditions, including those related to the credit markets; volatility of our investment portfolio; adverse foreign currency fluctuations; ongoing involvement in claims, lawsuits and governmental proceedings related to operations; labor disruptions; the dependence of our business units on relationships with several large providers; increased costs or unavailability of raw materials; continued fluctuations in mortality rates and increased cremations; competition from nontraditional sources in the funeral services business; cyclical demand for industrial capital goods; and certain tax-related matters.

For a more in-depth discussion of these and other 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 Hillenbrand's Form 10-Q for the quarter ended March 31, 2013, filed with the Securities and Exchange Commission (SEC) May 8, 2013. Hillenbrand assumes no obligation to update or revise any forward-looking information as a result of new information or future events or developments.

# Agenda

## **Hillenbrand**

a global diversified industrial company

## **Process Equipment Group (PEG)**

our high-growth business platform

## **Batesville**

our time-tested and highly profitable market leader

## **Select Financial Results**

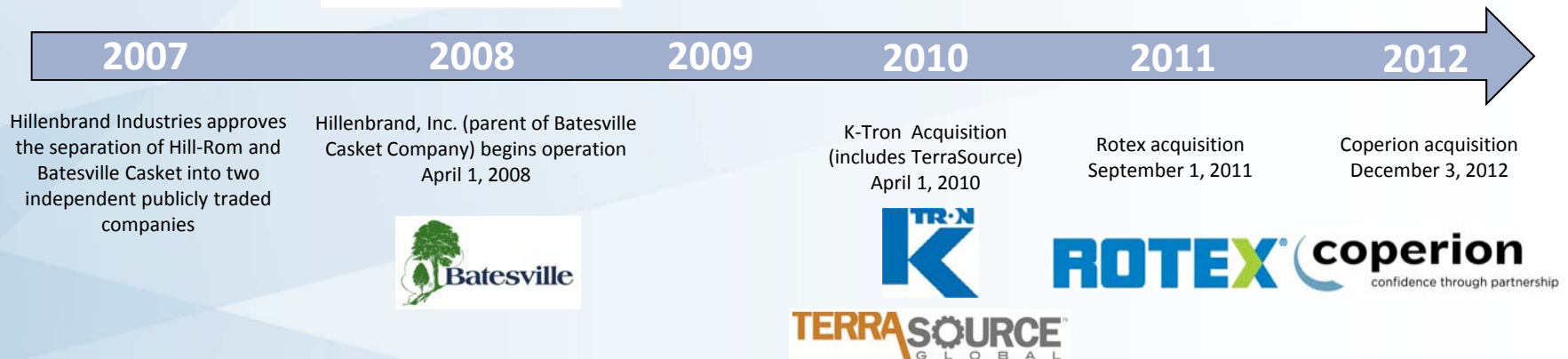
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# Hillenbrand Profile

# Hillenbrand began as a funeral products company and has diversified through acquisitions

## HILLENBRAND, INC.



### Batesville

- Founded in 1906 and dedicated for more than 100 years to *helping families honor the lives of those they love®*
- **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 compounding and extrusion equipment, bulk solids material handling equipment and systems for a wide variety of manufacturing and other industrial processes
- Serves customers through four operating companies:
  - ✓ Coperion - Compounding & extrusion equipment, materials handling equipment, system solutions, parts and services
  - ✓ K-Tron – Feeding 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






# Our strategy is to leverage our strengths and core competencies to diversify and grow profitably

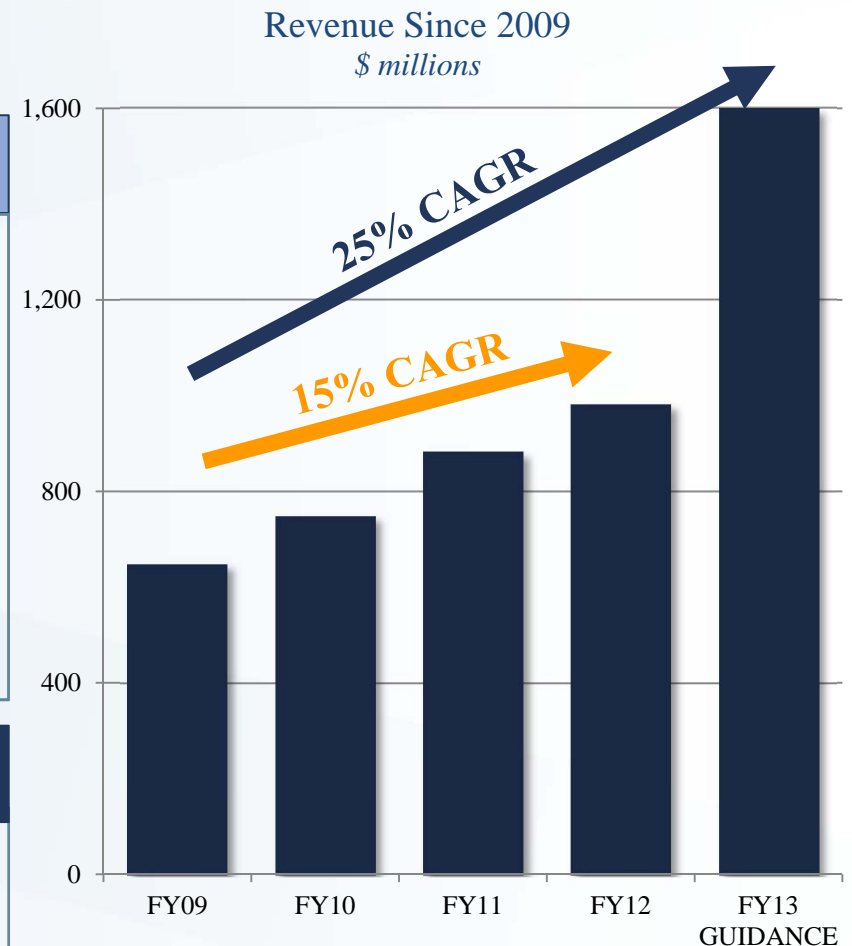


## Criteria for future acquisition candidates include:

- Attractive margins, strong cash generation and multiple pathways for growth
- Good market positions, strong brand and good growth prospects in its defined space
- Strong strategic fit with Hillenbrand
- Ability to benefit from our core competencies and share its own competitive strengths

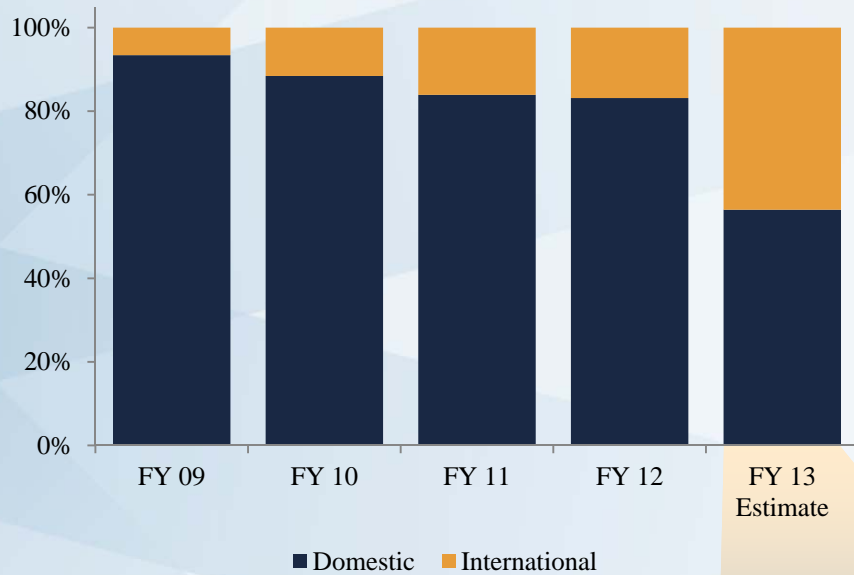
# Implementing this strategy has led to robust revenue growth from two attractive platforms

	<h3>Process Equipment Group</h3>
	<ul style="list-style-type: none"> <li>History of annual double digit organic growth (13% in 2012)</li> </ul>
	<ul style="list-style-type: none"> <li>Parts and service revenue ~ 1/3 of total</li> <li>Diversified revenue sources</li> </ul>
	<ul style="list-style-type: none"> <li>Multiple pathways/end markets for growth</li> </ul>
<h3>Batesville</h3>	
	<ul style="list-style-type: none"> <li>Adj EBITDA* margin &gt; 25%</li> <li>Strong, predictable cash flow</li> </ul>

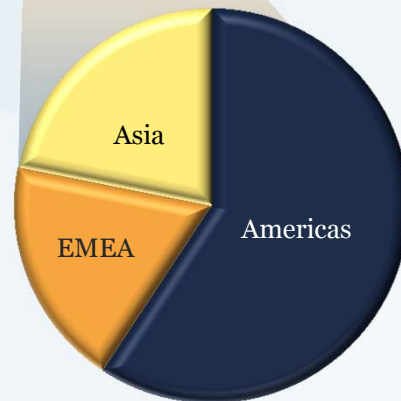
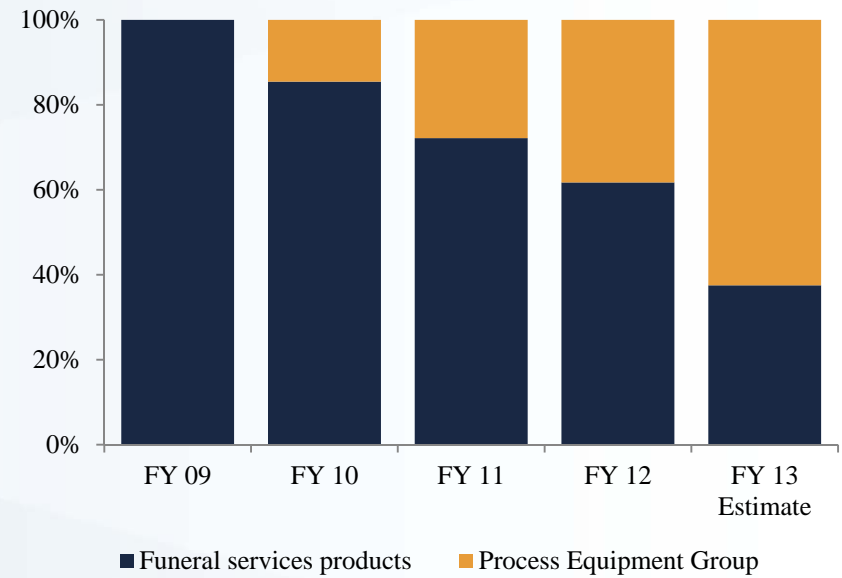


# The transformation of Hillenbrand has resulted in diversification by geography and platform...

Hillenbrand Revenue Mix by Geography

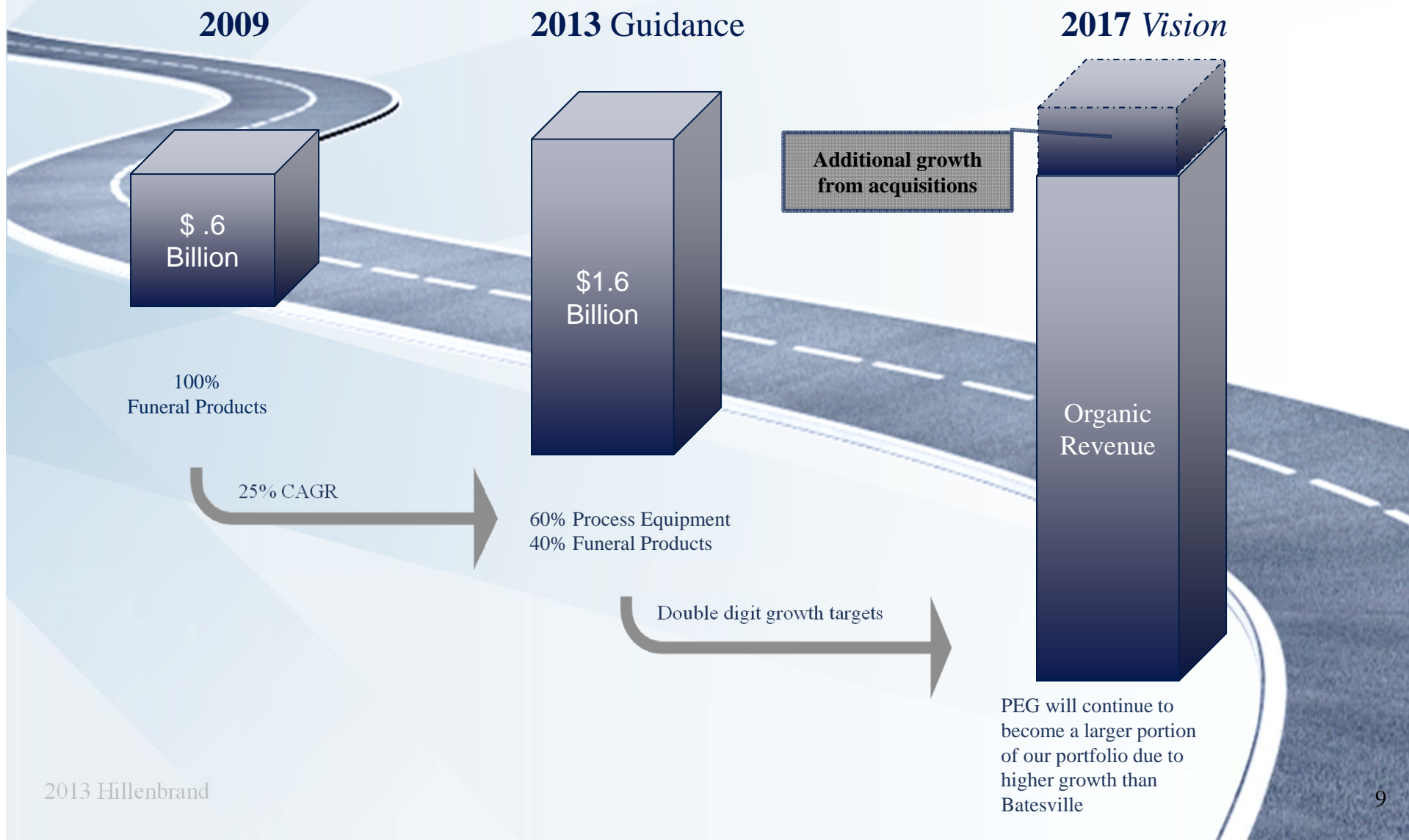


Hillenbrand Revenue Mix by Platform





# ... and we expect continued attractive growth



# Hillenbrand is an attractive investment opportunity

## Growth Opportunity

- Process Equipment Group represents 2/3 of Hillenbrand revenue with attractive organic mid to high single-digit growth expected
- Bottom-line growth enhanced by leveraging core competencies

## Strong Financial Profile

- Market leading platforms with robust cash generation
- Strong balance sheet and cash flow

## Proven Track Record

- Demonstrated acquisition success
- Proven, results-oriented management teams
- Strong core competencies in lean business, strategy management and talent development

## Compelling Dividend

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

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# Process Equipment Group Overview

# Our Process Equipment Group companies manufacture world-class industrial equipment

Year  
acquired

2012

**Coperion**

- Compounding & extrusion equipment
- Materials handling equipment
- System solutions



2011

**Rotex**

- Screening equipment
- Separating equipment



2010

**K-Tron**

- Feeders
- Pneumatic conveying equipment
- System solutions



**TerraSource  
Global**

- Crushers
- Biomass handling equipment



# Process Equipment Group's strategy provides compelling growth opportunities and Coperion accelerates every dimension

## Strong PEG market positions leverage macro trends:

- Global population growth
- Rising demand for food and energy
- Expansion of the middle class

K-Tron

Terra  
Source

Coperion

## Accelerated revenue growth

- PEG products in Coperion Systems
- Improves combined entity's ability to succeed in penetrating large, growing end markets
- Enhanced system capabilities
- Access to new customers and selling channels

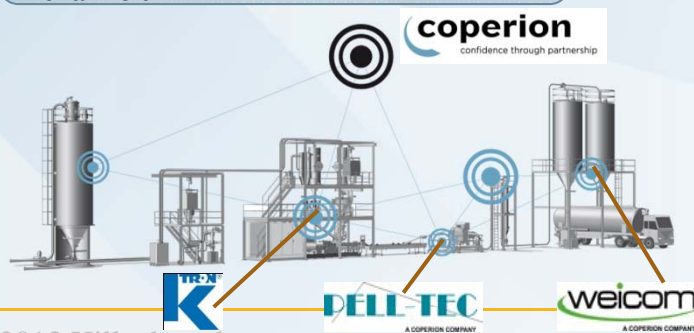
## Accelerated global expansion

- Improved access to underpenetrated geographies
- Expands ability to operate & grow globally

Rotex

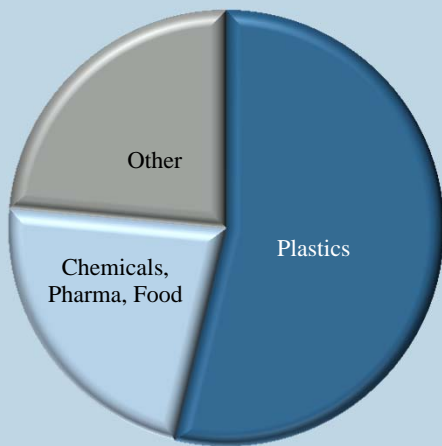
## Improved margins

- Lean business practices

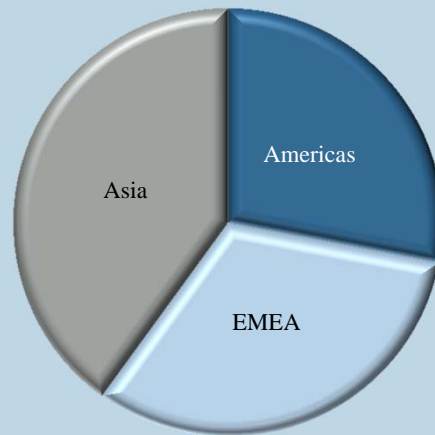


# Process Equipment Group's revenue is highly diversified by end market and geography

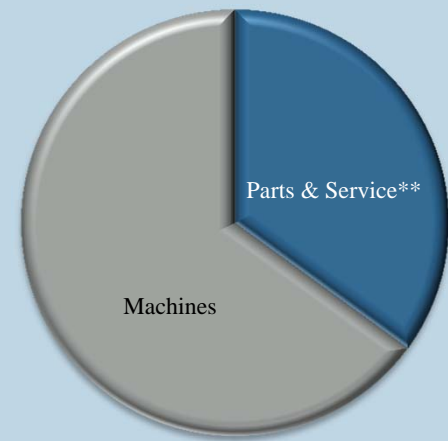
Revenue Mix by Industry\*



Revenue Mix by Geography\*



Revenue Mix by Type\*

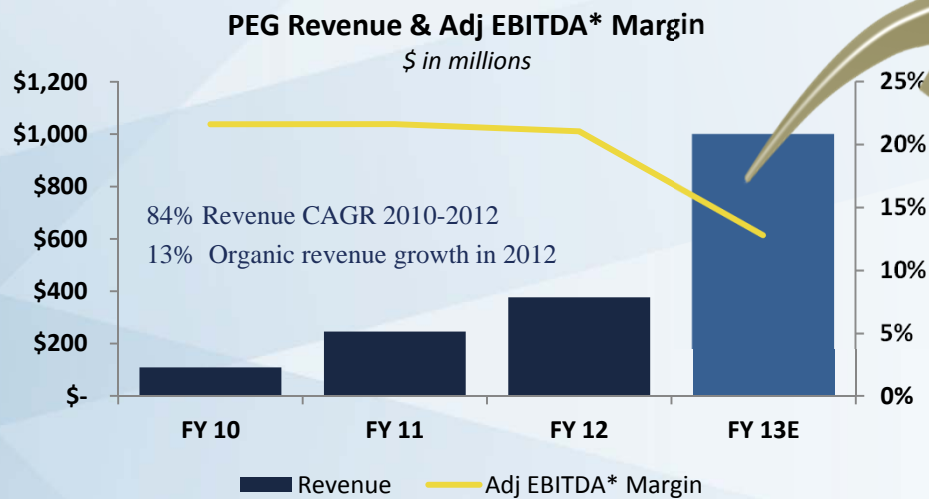


*\*\*Stable revenue and attractive margins*

\* FY 2013 ESTIMATE

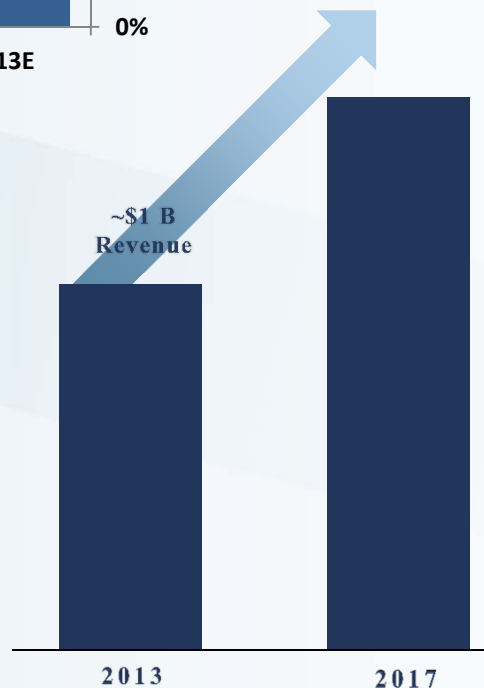
2013 Hillenbrand

# Process Equipment Group has a strong, sustainable financial track record which is expected to continue



Coperion adjusted EBITDA\* margins ~10%

- Attractive gross margins of 35% (+) on proprietary equipment and parts and service (2/3 of business)
- 1/3 of business includes “buyouts” where margins are minimal



Expect mid-high single digit organic revenue growth

EBITDA\* expected to grow at a faster rate (low to mid teens)

\* See Appendix for reconciliation

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## Batesville Overview



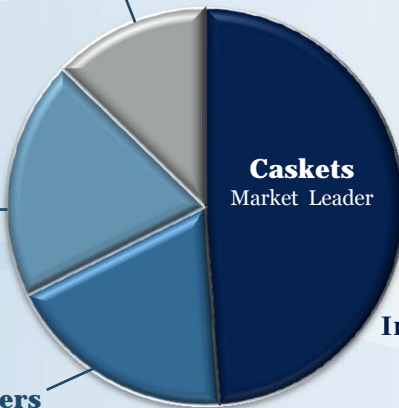
# Batesville is the leading player in the largest and most profitable segment of the North American funeral products industry

## North American Funeral Products ((\$2.6 Billion Industry)

**Cremation**  
Market Leader

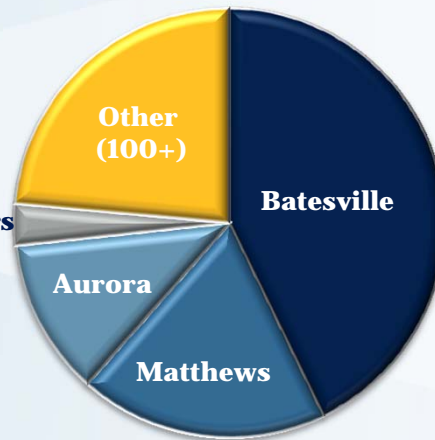
**Vaults**  
Not in Market

**Grave Markers**  
Not in Market



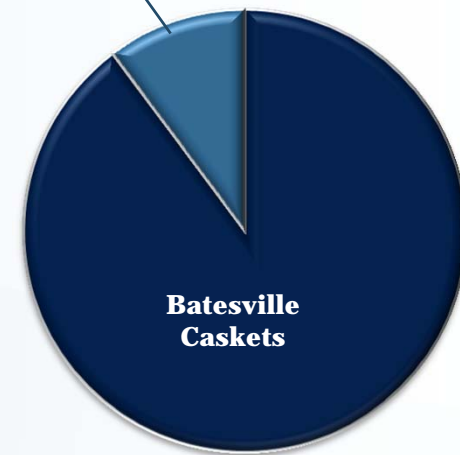
## North American Caskets (Total Revenue \$1.3 Billion)

**Importers**



## Batesville (Total 2012 Revenue: \$607 Million)

**Other, including Options,  
Batesville Interactive  
and Northstar**



# Batesville's strategy is to optimize the casket business, capitalize on growth opportunities and sustain margins

## Optimize the Profitable Casket Business

- New product development
- Merchandising/sales



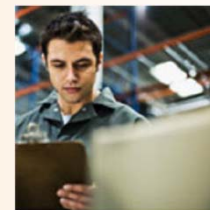
## Capitalize on Growth Opportunities

- Options cremation products
- Batesville Interactive – software solutions for funeral directors



## Maintain Attractive Margins

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



# Batesville has sustainable strong cash flow and attractive margins

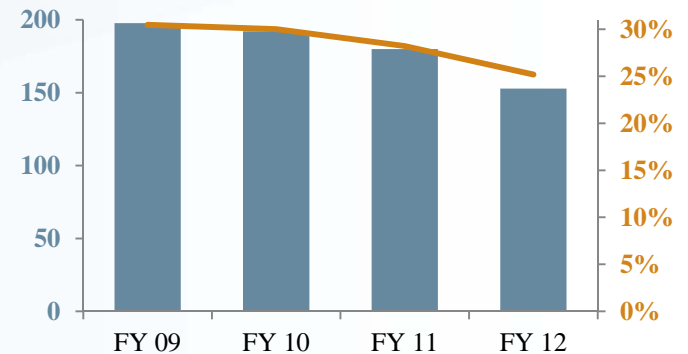
## Attractive Financials

- Historically high return on invested capital (in excess of 50%)
- Unusual decline in deaths in 2012 decreased demand for burial caskets, putting downward pressure on margins
- Relentless focus on lean to maintain attractive margins

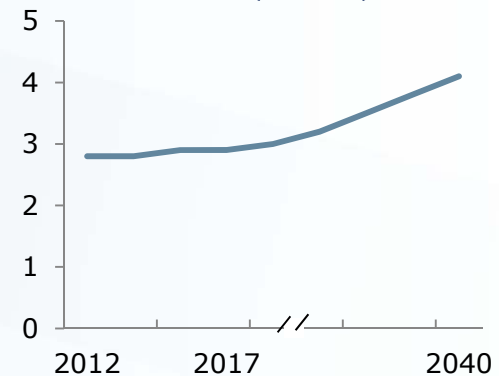
## Industry Dynamics

- Deaths expected to increase in the future as “baby boomers” age
- North American cremation rate is currently ~ 40% and increasing at an upward trend of approximately 120-140 basis points per year
- Increase in future deaths expected to be offset by cremation, resulting in relatively flat burial market

**Adj EBITDA\* and Margins**  
( \$ Millions )



**Estimated Deaths**  
(Millions)



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## Financial Results

# Our year-to-date results reflect a strong contribution from the Coperion acquisition, with 43% increase in net revenue

- Coperion acquisition drove 110% Process Equipment Group revenue growth
  - Organic PEG declined 11% due to:
    - Reduced demand for frac sand and potash equipment
    - Unusually large equipment sale in Q2 2012
  - Full year 2013 organic PEG revenue expected to be flat to slightly down year-over-year
- Batesville revenue grew 4% during the first six months driven by increased burial volume resulting from higher deaths
- Adjusted EBITDA\* margin % decrease was expected due to higher proportion of lower margin, third-party-sourced products in Coperion's business model (which partially offsets the high margins from their proprietary equipment and parts and service)
- Free cash flow\* variance driven by investment in Coperion working capital, \$11 million in acquisition costs and \$5 million related to closing legacy antitrust litigation

## Hillenbrand YTD 2013 Results

– SIX MONTHS ENDED MARCH 31

	YTD Q2 FY13	YTD Q2 FY12
\$ in millions (except EPS)		
Net Revenue	\$704	\$491
% Year-Over-Year Growth	43.2%	11.4%
EBITDA (Adjusted)*	\$116	\$106
% of Revenue	16.4%	21.6%
EPS (Adjusted)*	\$0.90	\$0.89
Free Cash Flow*	\$9	\$52

# Attractive revenue and earnings growth is expected for the full year

<b>2013 Guidance Summary</b>	<b>2012</b>	<b>2013</b>
Revenue ( <i>millions</i> )	\$983	\$1,600
Adjusted EPS*	\$1.76	\$1.82 - \$1.92

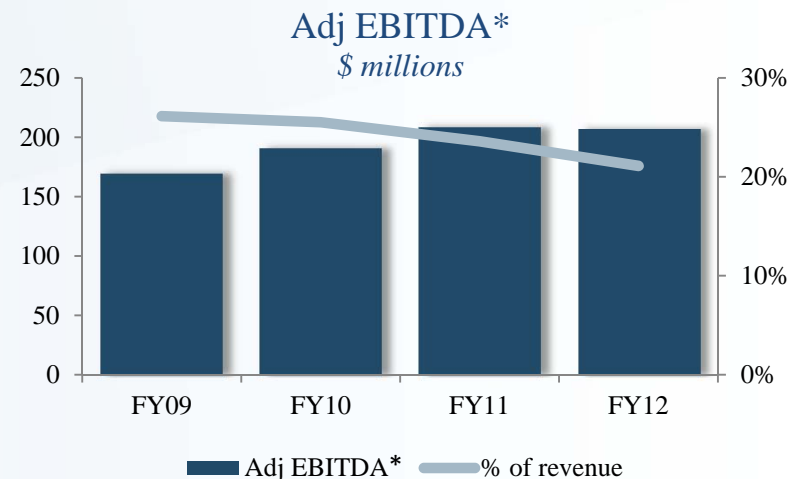
- »»»» Accretion from Coperion > \$0.20
- »»»» PEG revenue ~\$1 billion; > 60% of global revenue
- »»»» Batesville revenue ~ \$600 million

\* FY12 adjusted EPS includes \$0.13 of favorable items that won't repeat (e.g. changes to employee compensation and benefits, taxes and other estimates)

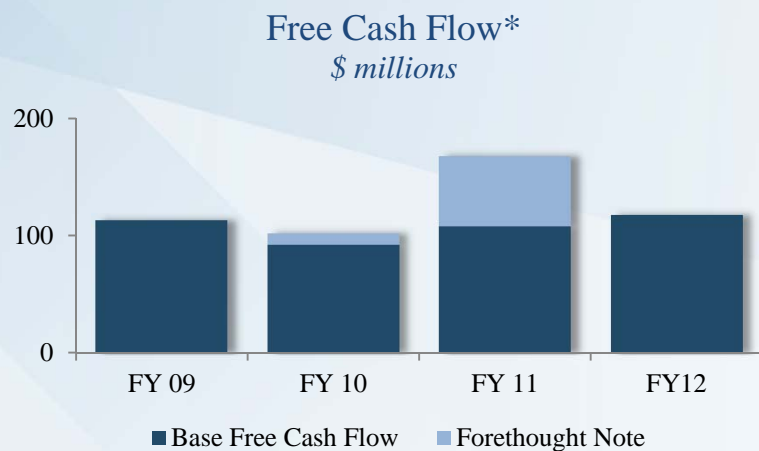
\* FY13 adjusted EPS includes \$0.12 of intangible asset amortization from the Coperion acquisition

See Appendix for reconciliation

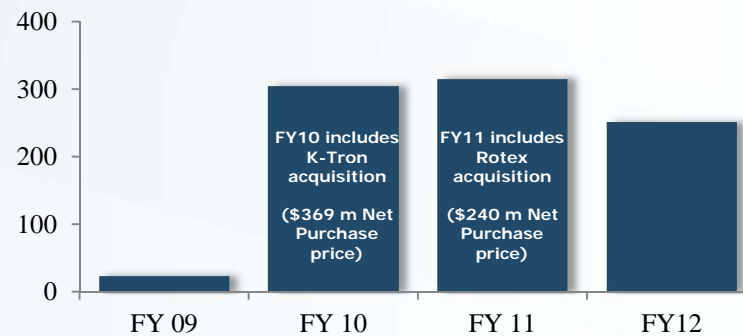
# Hillenbrand has a history of strong financial performance ...



\* See Appendix for reconciliation



### Net Debt \$ millions (Total Debt less Cash)



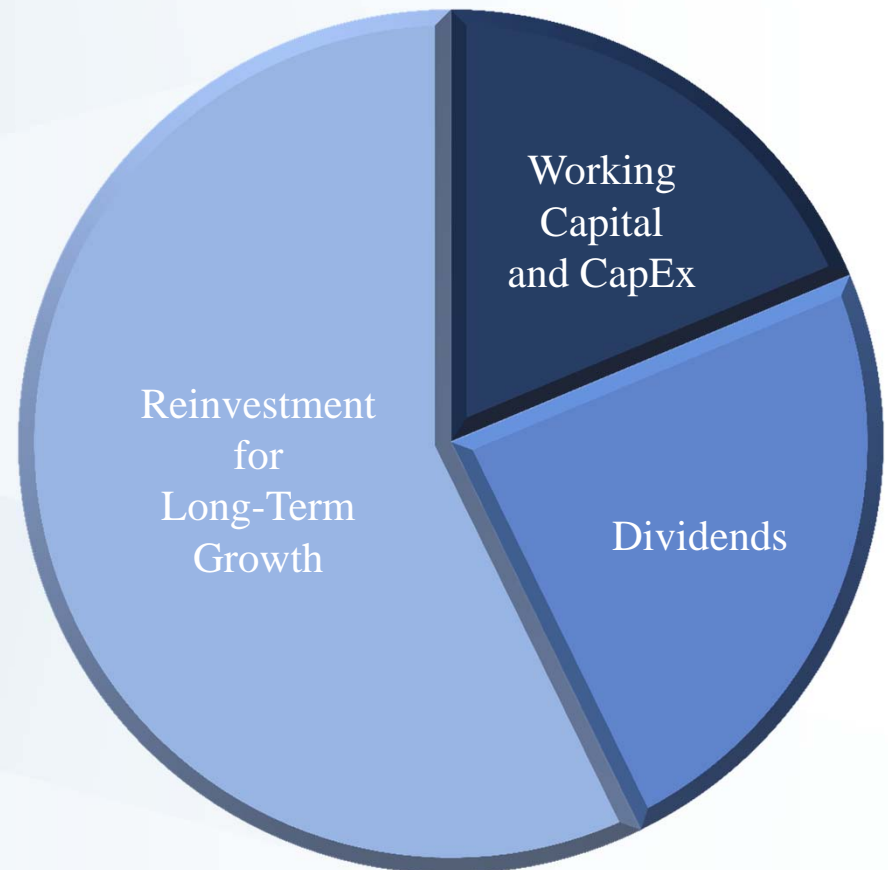
# ...which fuels a capital deployment strategy that focuses on creating shareholder value

## ➤➤➤ Reinvestment for long-term growth

- Organic growth investments
- Acquisitions

## ➤➤➤ Meaningful dividend

- \$0.77 per share in 2012 (46% payout ratio)
- Annual \$0.01 increase per share per year (*5 consecutive years*)
- Attractive dividend yield: 3.2% (5/29/13)





# Hillenbrand is an attractive investment opportunity

## Growth Opportunity

- Process Equipment Group represents 2/3 of Hillenbrand revenue with attractive organic mid to high single-digit growth expected
- Bottom-line growth enhanced by leveraging core competencies

## Strong Financial Profile

- Market leading platforms with robust cash generation
- Strong balance sheet and cash flow

## Proven Track Record

- Demonstrated acquisition success
- Proven, results-oriented management teams
- Strong core competencies in lean business, strategy management and talent development

## Compelling Dividend

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

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Back-up

# Hillenbrand Q2 2013 Results

Net revenue increased 53% as both platforms achieved attractive growth

- Coperion acquisition drove 136% Process Equipment Group revenue growth
  - Organic PEG declined 18% due to:
    - Reduced demand for frac sand and potash equipment
    - Unusually large equipment sale in Q2 2012
  - Full year 2013 organic PEG revenue expected to be flat to slightly down year-over-year
- Batesville revenue grew 5%, driven by increased burial volume resulting from higher deaths
- EBITDA margin % decrease was expected due to higher proportion of lower margin, third-party-sourced products in Coperion's business model
- Negative free cash flow\* driven by investment in Coperion working capital and \$3 million in acquisition costs

SECOND QUARTER ENDED MARCH 31		
\$ in millions (except EPS)	Q2 FY13	Q2 FY12
Net Revenue	\$399	\$260
% Year-Over-Year Growth	53.4%	12.9%
EBITDA (Adjusted)*	\$64	\$58
% of Revenue	16.1%	22.4%
EPS (Adjusted)*	\$0.49	\$0.50
Free Cash Flow*	(\$6)	\$29

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# 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 7 of our 2012 Form 10-K filed with the Securities and Exchange Commission (SEC) November 26, 2012 , 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.

# Consolidated net income to adjusted EBITDA reconciliation

*(\$ in millions)*

	Years Ended September 30,			
	2012	2011	2010	2009
Consolidated net income	\$ 104.8	\$ 106.1	\$ 92.3	\$ 102.3
Interest income	(0.5)	(7.4)	(13.0)	(14.1)
Interest expense	12.4	11.0	4.2	2.1
Income tax expense	30.1	51.7	54.1	58.5
Depreciation and amortization	40.4	36.1	28.2	18.5
EBITDA	\$ 187.2	\$ 197.5	\$ 165.8	\$ 167.3
Antitrust litigation	5.5	1.3	5.0	2.2
Inventory step-up	-	2.8	11.6	-
Business acquisition	4.2	6.3	10.5	-
Sales tax recoveries	-	(0.8)	(4.7)	-
Restructuring	8.3	1.3	3.0	0.1
Long-term incentive compensation related to the international integration	2.2	-	-	-
Adjusted EBITDA	\$ 207.4	\$ 208.4	\$ 191.2	\$ 169.6

# Q1 FY13 & Q1 FY12 - Consolidated net income to adjusted EBITDA reconciliation

*(\$ in millions)*

	Quarter Ended December 31,	
	2012	2011
Consolidated net income	\$ 14.6	\$ 31.3
Interest income	(0.1)	(0.2)
Interest expense	4.5	2.9
Income tax expense	5.9	(1.3)
Depreciation and amortization	15.0	12.2
EBITDA	\$ 39.9	\$ 44.9
Antitrust litigation	0.1	0.4
Inventory step-up	2.6	-
Business acquisition	8.2	0.5
Restructuring	0.6	-
Long-term incentive compensation related to the international integration	-	2.2
Adjusted EBITDA	\$ 51.4	\$ 48.0

## Q2 FY13 & Q2 FY12 - Consolidated net income to adjusted EBITDA reconciliation

*(\$ in millions)*

	Quarter Ended March 31,	
	2013	2012
Consolidated net income	\$ 13.2	\$ 27.4
Interest income	(0.2)	(0.1)
Interest expense	6.8	2.8
Income tax expense	5.3	13.3
Depreciation and amortization	27.8	9.5
EBITDA	\$ 52.9	\$ 52.9
Antitrust litigation	-	0.1
Inventory step-up	8.1	-
Business acquisition	1.8	0.5
Restructuring	1.3	4.7
Long-term incentive compensation related to the international integration	-	-
Adjusted EBITDA	\$ 64.1	\$ 58.2



# YTD FY13 and FY12 - Consolidated net income to adjusted EBITDA reconciliation

*(\$ in millions)*

	Six Months Ended March 31,	
	2013	2012
Consolidated net income	\$ 27.8	\$ 58.7
Interest income	(0.3)	(0.3)
Interest expense	11.3	5.7
Income tax expense	11.2	12.0
Depreciation and amortization	42.9	21.7
EBITDA	\$ 92.9	\$ 97.8
Antitrust litigation	0.1	0.5
Inventory step-up	10.7	-
Business acquisition	10.0	1.0
Restructuring	1.9	4.7
Long-term incentive compensation related to the international integration	-	2.2
Adjusted EBITDA	\$ 115.6	\$ 106.2

# Non-GAAP Operating Performance Measures

(\$ in millions)

Years Ended September 30,

	2012			2011			2010			2009		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 594.3	\$ (4.2) (a)	\$ 590.1	\$ 513.5	\$ (2.8) (b)	\$ 510.7	\$ 435.9	\$ (11.6) (b)	\$ 424.3	\$ 374.7	\$ -	\$ 374.7
Gross profit	388.9	4.2	393.1	369.9	2.8	372.7	313.3	11.6	324.9	274.4	-	274.4
Operating expenses	240.1	(18.8) (c)	221.3	211.3	(8.9) (d)	202.4	175.4	(15.5) (e)	159.9	119.4	(2.3) (f)	117.1
Operating profit	148.8	23.0	171.8	158.6	11.7	170.3	137.9	27.1	165.0	155.0	2.3	157.3
Income tax expense <sup>1</sup>	30.1	18.1 (g)	48.2	51.7	4.0 (h)	55.7	54.1	7.8 (h)	61.9	58.5	0.8 (h)	59.3
Net income <sup>1</sup>	104.8	4.9	109.7	106.1	7.7	113.8	92.3	19.3	111.6	102.3	1.5	103.8
Diluted EPS	1.68	0.08	1.76	1.71	0.13	1.84	1.49	0.31	1.80	1.66	0.02	1.68

<sup>1</sup>Net income attributable to Hillenbrand

P = Process Equipment Group; B = Batesville; C = Corporate

- (a) Restructuring (\$0.9 P, \$3.3 B)
- (b) Inventory step-up (FY2011: \$2.8 P, FY2010: \$11.6 P)
- (c) Antitrust litigation (\$5.5 B), restructuring (\$2.8 P, \$0.6 B, \$0.9 C), business acquisition costs (\$4.2 C), backlog amortization (\$2.5 P), long-term incentive compensation related to the international integration (\$0.2 P, \$0.8 B, \$1.2 C), and other (\$0.1 C)
- (d) Restructuring (\$1.3 B), antitrust litigation (\$1.3 B), business acquisition costs (\$0.3 P, \$6.0 C), backlog amortization (\$0.8 P), and sales tax recoveries (\$0.8 B)
- (e) Business acquisition costs (\$0.3 P, \$10.2 C), antitrust litigation (\$5.0 B), restructuring (\$3.0 C), backlog (\$1.7 P), and sales tax recoveries (\$4.7 B)
- (f) Antitrust litigation (\$2.2 B), restructuring (\$0.1 C)
- (g) Tax benefit of the international integration (\$10.4) and tax effect of adjustments
- (h) Tax effect of adjustments

# Non-GAAP Operating Performance Measures

(*\$ in millions*)

	Three months ended December 31, 2012			Three months ended March 31, 2013			Six months ended March 31, 2013		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 194.6	\$ (3.0) (a)	\$ 191.6	\$ 261.9	\$ (9.7) (e)	\$ 252.2	\$ 456.5	\$ (12.7) (h)	\$ 443.8
Gross profit	110.6	3.0	113.6	136.6	9.7	146.3	247.2	12.7	259.9
Operating expenses	86.5	(13.6) (b)	72.9	111.0	(15.2) (f)	95.8	197.5	(28.8) (i)	168.7
Operating profit	24.1	16.6	40.7	25.6	24.9	50.5	49.7	41.5	91.2
Interest expense	4.5	-	4.5	6.8	(0.6) (g)	6.2	11.3	(0.6) (j)	10.7
Other income (expense), net	0.9	(0.9) (c)	-	(0.3)	-	(0.3)	0.6	(0.9) (k)	(0.3)
Income tax expense	5.9	4.2 (d)	10.1	5.3	7.6 (d)	12.9	11.2	11.8 (d)	23.0
Net income <sup>1</sup>	14.3	11.5	25.8	12.7	17.9	30.6	27.0	29.4	56.4
Diluted EPS	0.23	0.18	0.41	0.20	0.29	0.49	0.43	0.47	0.90

<sup>1</sup> Net income attributable to Hillenbrand

P = Process Equipment Group; B = Batesville; C = Corporate

(a) Inventory step up (\$2.6 P), restructuring (\$0.1 P, \$0.3 B)

(b) Business acquisition costs (\$9.0 C), backlog amortization (\$4.2 P), restructuring (\$0.2 C), antitrust litigation (\$0.1 B), other (\$0.1 B)

(c) Acquisition-related foreign currency transactions (\$0.8 C), other (\$0.1 B)

(d) Tax effect of adjustments

(e) Inventory step up (\$8.1 P), restructuring (\$0.1 P, \$1.5 B)

(f) Business acquisition costs (\$0.3 P, \$1.6 C), backlog amortization (\$12.9 P), restructuring (\$0.4 B)

(g) Business acquisition costs (\$0.6 C)

(h) Inventory step up (\$10.7 P), restructuring (\$0.2 P, \$1.8 B)

(i) Business acquisition costs (\$0.3 P, \$10.6 C), backlog amortization (\$17.1 P), restructuring (\$0.5 B, \$0.2 C), antitrust litigation (\$0.1 B)

(j) Business acquisition costs (\$0.6 C)

(k) Acquisition-related foreign currency transactions (\$0.8 C), other (\$0.1 B)

# Cash Flow Information

(\$ in millions)

	Years Ended September 30,			
	2012	2011	2010	2009
Operating Activities				
Net Income	\$ 104.8	\$ 106.1	\$ 92.3	\$ 102.3
Depreciation and amortization	40.4	36.1	28.2	18.5
Interest income on Forethought Note	-	(6.4)	(12.0)	(12.4)
Forethought Note interest payment	-	59.7	10.0	-
Change in working capital	(19.8)	(16.4)	16.9	6.5
Other, net	12.8	10.4	(17.2)	8.3
Net cash provided by operating activities (A)	\$ 138.2	\$ 189.5	\$ 118.2	\$ 123.2
Capital expenditures (B)	(20.9)	(21.9)	(16.3)	(10.0)
Forethought Note principal repayment	-	91.5	-	-
Acquisition of businesses, net of cash acquired	(4.4)	(240.9)	(371.5)	-
Proceeds from redemption and sales, and ARS and investments	0.8	12.4	37.2	2.3
Debt activity	(162.3)	28.1	334.2	(40.0)
Dividends	(47.6)	(46.9)	(46.2)	(45.6)
Purchase of common stock	-	(3.8)	-	(12.5)
Other	0.9	9.1	7.6	3.1
Net change in cash	\$ (95.3)	\$ 17.1	\$ 63.2	\$ 20.5
Free Cash Flow (A-B)	\$ 117.3	\$ 167.6	\$ 101.9	\$ 113.2

# Q1 FY13 & Q1 FY12 - Cash Flow Information

*(\$ in millions)*

	Quarter Ended December 31,	
	2012	2011
Operating Activities		
Net Income	\$ 14.6	\$ 31.3
Depreciation and amortization	15.0	12.2
Change in working capital	12.9	(1.6)
Other, net	(22.8)	(14.9)
Net cash provided by operating activities (A)	\$ 19.7	\$ 27.0
Capital expenditures (B)	(5.6)	(4.2)
Acquisition of businesses, net of cash acquired	(415.6)	-
Debt activity	494.8	-
Dividends	(12.1)	(11.9)
Other	0.7	(3.9)
Net change in cash	\$ 81.9	\$ 7.0
Free Cash Flow (A-B)	\$ 14.1	\$ 22.8

## Q2 FY13 & Q2 FY12 - Cash Flow Information

*(\$ in millions)*

	Quarter Ended March 31,	
	2013	2012
Operating Activities		
Net Income	\$ 13.2	\$ 27.4
Depreciation and amortization	27.9	9.5
Change in working capital	(11.1)	(9.7)
Other, net	(30.0)	5.9
Net cash provided by operating activities (A)	\$ -	\$ 33.1
Capital expenditures (B)	(5.6)	(3.9)
Acquisition of businesses, net of cash acquired	-	-
Debt activity	(46.1)	(84.0)
Dividends	(12.2)	(11.9)
Other	2.5	4.3
Net change in cash	\$ (61.4)	\$ (62.4)
Free Cash Flow (A-B)	\$ (5.6)	\$ 29.2

# YTD FY13 and FY12 - Cash Flow Information

*(\$ in millions)*

	<b>Six Months Ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>Operating Activities</b>		
Net Income	\$ 27.8	\$ 58.7
Depreciation and amortization	42.9	21.7
Change in working capital	1.8	(11.3)
Other, net	(52.8)	(9.0)
Net cash provided by operating activities (A)	\$ 19.7	\$ 60.1
Capital expenditures (B)	(11.2)	(8.1)
Acquisition of businesses, net of cash acquired	(415.6)	-
Debt activity	448.7	(84.0)
Dividends	(24.3)	(23.8)
Other	3.2	0.4
Net change in cash	\$ 20.5	\$ (55.4)
Free Cash Flow (A-B)	\$ 8.5	\$ 52.0

# Process Equipment Group's strategy provides compelling growth opportunities and Coperion accelerates every dimension

K-Tron

Terra Source

Coperion

Rotex

## Accelerated revenue growth

- PEG products in Coperion Systems
- Improves combined entity's ability to succeed in penetrating large, growing end markets
- Enhanced system capabilities
- Access to new customers and selling channels

## Accelerated global expansion

- Improved access to underpenetrated geographies
- Expands ability to operate & grow globally

## Improved margins

- Lean business practices

