
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 30, 2010**

HILLENBRAND, INC.

(Exact name of registrant as specified in its charter)

Indiana

(State or other jurisdiction
of incorporation)

1-33794

(Commission File
Number)

26-1342272

(IRS Employer
Identification No.)

**One Batesville Boulevard
Batesville, Indiana**

(Address of principal executive offices)

47006

(Zip Code)

Registrant's telephone number, including area code: **(812) 934-7500**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

TABLE OF CONTENTS

[Item 1.01 Entry into a Material Definitive Agreement.](#)

[Item 8.01 Other Events.](#)

[Item 9.01 Financial Statements and Exhibits.](#)

SIGNATURES

[EX-10.1](#)

[EX-10.2](#)

Item 1.01 Entry into a Material Definitive Agreement.

On June 30, 2010, Hillenbrand, Inc. (the “Company”, “we,” “us,” and “our”), the lenders named therein (the “Lenders”), Citibank, N.A., as resigning agent (“Citibank”), and JPMorgan Chase Bank, N.A., as successor agent for the Lenders (“JPMorgan Chase Bank”), entered into a second amendment (the “Amendment”) to that Credit Agreement, dated as of March 28, 2008, among the Company, the Lenders, and Citibank, as amended by Letter Amendment No. 1, dated as of December 16, 2009 (as may be further amended, supplemented, or otherwise modified from time to time, the “Credit Agreement”).

Under the Amendment, Citibank resigned as the agent for the Credit Agreement, and JPMorgan Chase Bank agreed to be, and was, appointed as the successor agent for all purposes under the Credit Agreement. The Amendment also added defaulting lender provisions and modified the definition of Alternate Base Rate. In addition, the Credit Agreement was amended to permit us to incur indebtedness in connection with an offering of debt securities registered under the Securities Act of 1933, as amended, or exempt therefrom in reliance upon Rule 144A thereunder, or a private placement of debt securities to institutional investors (collectively, “Specified Indebtedness”) that contains a negative pledge covenant or a covenant requiring us to secure the Specified Indebtedness on a pari passu basis if we secure any other indebtedness.

The foregoing description of the Amendment is qualified in its entirety by reference to the text of the Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01 Other Events.

Risks Relating to Our Business

The following are updates to certain risk factors set forth under “Risks Related to Our Business” in Item 1A of our annual report on Form 10-K for the year ended September 30, 2009. Except as set forth below, there have been no material changes to the risk factors discussed in our annual report on Form 10-K for the fiscal year ended September 30, 2009.

Our growth strategy involves the potential for future significant acquisitions, some of which may be outside our current industry. We may not be able to achieve some or all of the benefits that we expect to achieve from these acquisitions. If an acquisition were to perform unfavorably, it could have an adverse impact on our value.

One component of our strategy contemplates our making selected acquisitions. All acquisitions involve inherent uncertainties, some of which include, among other things, our ability to:

- successfully identify targets for acquisition,
- negotiate reasonable terms for any particular deal,
- properly perform due diligence and determine all the significant risks associated with a particular acquisition,
- properly evaluate target company management capabilities, and
- successfully transition the acquired company into our business and achieve the desired performance.

We also may acquire businesses with unknown or contingent liabilities, including liabilities for failure to comply with potential industry or environmental regulations or tax contingencies. We have plans and procedures to conduct reviews of potential acquisition candidates for compliance with applicable regulations and laws prior to the acquisition and will also generally seek indemnification from sellers covering these matters. Despite these efforts, we may incur material liabilities for past activities of acquired businesses.

In the event that we acquire a business that operates outside of our current industry, we may not achieve the intended benefits of the acquisition and our business could be materially adversely impacted. Under such circumstances, management could be required to spend significant amounts of time and resources in the transition of the business of the acquired entity due to the lack of experience in the industry of the acquired business. In addition, any benefits we anticipate from application of our lean manufacturing and lean business expertise may not be fully realized. Also, if we acquire a company that operates in an industry that is different from the one in which we operate, our lack of experience with that company’s industry could have a material adverse impact on our ability to manage that business and realize the benefits of that acquisition.

Collection risk associated with our note receivable from Forethought Financial Group, Inc. (“Forethought”) could have a material adverse impact on our earnings.

As described in our annual report on Form 10-K for the year ended September 30, 2009, we hold a significant non-operating asset in the form of a note receivable and related interest receivable from Forethought. This asset was transferred to us at the time of separation of Hillenbrand Industries, Inc. (now known as “Hill-Rom Holdings, Inc.” or “Hill-Rom”) into two separate publicly traded companies, Hillenbrand and Hill-Rom. As of March 31, 2010, this note receivable had an aggregate carrying value of \$149.0 million. This note receivable primarily represents seller provided financing to Forethought, the entity that purchased Hill-Rom’s former Forethought Financial Services, Inc. subsidiary. Forethought, through its subsidiaries, provides insurance and financial solutions for families managing retirement and end-of-life needs.

Should Forethought fail to perform consistently with the original expectations set forth by Forethought or underperform to an extent that it cannot meet its financial obligations, the note could become impaired, causing an impairment charge that could result in a material adverse impact on our financial condition and results of operations. Payments under the note are due in annual \$10 million installments beginning on July 1, 2010 through July 1, 2014, at which time the balance of the note is due and payable (unless otherwise deferred in accordance with its terms).

Volatility in our investment portfolio could negatively impact earnings. Also, if we are unable to convert our portfolio of auction rate securities to cash at reasonable terms, our earnings could be adversely affected.

In connection with our separation from Hill-Rom, ownership in certain investments in private partnerships were transferred to us that had an aggregate carrying value of \$14.7 million as of March 31, 2010. Volatility in that investment portfolio negatively or positively impacts earnings. These investments could be adversely affected by general economic conditions, changes in interest rates, default on debt instruments, and other factors, resulting in an adverse impact on our results from operations.

In addition, we received a portfolio of auction rate securities (consisting of highly rated tax exempt state and municipal securities, the majority of which are collateralized by student loans guaranteed by the U.S. government under the Federal Family Education Loan Program) that Hill-Rom was not able to liquidate prior to the separation due to the market conditions and auction failures. In November 2008, we received an enforceable, non-transferable right (the “Put”) from UBS Financial Services that allows us to sell approximately \$29.7 million of our existing auction rate securities (carrying value at March 31, 2010, including the Put) at par value plus accrued interest. We exercised the Put on June 30, 2010 and received the proceeds on July 1, 2010. For our remaining auction rate securities (carrying value of \$13.6 million at March 31, 2010), if conditions do not improve or worsen, we may not be able to convert these securities to cash for the foreseeable future, these assets could become impaired, and our earnings could be adversely affected.

Risk Relating to the K-Tron Acquisition

As previously disclosed, on April 1, 2010, we completed our acquisition of K-Tron International, Inc. (“K-Tron”). Below are additional risk factors facing us as a result of the K-Tron acquisition:

We may not realize the expected benefits of the K-Tron acquisition because of transition difficulties and other challenges.

The success of the K-Tron acquisition will depend, in part, on our ability to transition K-Tron from being a stand-alone public company to our subsidiary. The transition process may be more complex, costly and time-consuming than we anticipate at this time. The difficulties of successfully implementing this transition include, among others:

- failure to implement our business plan for the combined business;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;

Table of Contents

- operating risks inherent in K-Tron's business and our business; and
- unanticipated issues, expenses and liabilities.

We may not accomplish the transition of K-Tron smoothly, successfully or within the anticipated costs or timeframe. The diversion of the attention of management from our current operations to the transition effort could prevent us from realizing the full benefits anticipated to result from the K-Tron acquisition and could adversely affect our business.

K-Tron operates in an industry that is different than ours and in which we have no prior experience.

K-Tron, as a designer, producer, marketer and servicer of material handling equipment and systems, does not operate within the death care products industry. As such, we may not achieve the intended benefits of our acquisition of K-Tron, we may not manage K-Tron effectively and our business could be materially adversely impacted. In addition, management is currently significantly dependent on the existing management of K-Tron in order to enable us to achieve the intended benefits of the acquisition.

Our increased debt obligations upon closing of the K-Tron acquisition could adversely affect our business and limit our ability to plan for or respond to changes in our business.

As of March 31, 2010, our long-term debt, after giving effect to the acquisition on a pro forma basis, would have been approximately \$375.0 million. As of May 31, 2010, we had \$397.7 million of total indebtedness outstanding (excluding \$14.8 million of outstanding letters of credit). This level of debt could have important consequences to our business. For example:

- we may be more vulnerable to general adverse economic and industry conditions;
- we will be required to dedicate a larger portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow for other purposes, including business development efforts and mergers and acquisitions;
- we will continue to be exposed to the risk of increased interest rates because a portion of our borrowings is at variable rates of interest; and
- our flexibility in planning for, or reacting to, changes in our businesses and the industries in which we operate may be limited, thereby placing us at a competitive disadvantage compared to competitors that have less indebtedness.

For information regarding the other risks we face, see the discussion under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2009 and the discussion under "Item 1A. Risk Factors" in K-Tron's Annual Report on Form 10-K for the year ended December 31, 2009.

Management's Discussion and Analysis of Financial Condition and Results of Operations for K-Tron for the Three Months Ended April 1, 2010

The below sets forth Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the three months ended April 1, 2010 for K-Tron as a stand-alone public company, prior to the closing of the acquisition. This MD&A should be read in conjunction with the historical consolidated statements of financial position of K-Tron as of April 1, 2010 (unaudited) and January 2, 2010 (audited), and the unaudited consolidated results of operations and cash flows for the three months ended April 1, 2010 and April 4, 2009, included in our current report on Form 8-K/A filed on May 28, 2010.

Table of Contents

Total revenues decreased by \$11,730,000 or 23.6% in the first quarter of 2010 compared to the same period in 2009. The lingering global economic crisis continued to impact K-Tron's sales and operations. The decrease in K-Tron's revenues in the first quarter of 2010 compared to the same period in 2009 was primarily due to lower equipment sales to customers in the size reduction business line, especially to customers in the energy and coal mining industries. Total revenue also decreased due to lower sales to plastic resin and compounding customers in the process business line, especially in Europe. This was partially offset by the positive effect of a weaker U.S. dollar in the first quarter of 2010, compared with the same period in 2009, on the translation of the revenue of K-Tron's foreign operations into U.S. dollars.

Gross profit as a percentage of K-Tron's total revenue increased to 44.1% in the first quarter of 2010 from 40.6% for the same period in 2009. This increase primarily reflected a change in the sales mix of the products and services sold by K-Tron's two business lines during these periods. Sales of replacement parts, which generally carry a higher gross margin than sales of equipment, were a higher percentage of revenue due to lower equipment sales.

Selling, general and administrative ("SG&A") expense decreased by \$439,000 or 3.5% in the first quarter of 2010 compared to the same period in 2009. This decrease was primarily due to decreased commissions and selling expenses related to lower revenue, along with cost control efforts undertaken to reduce expenses as a result of the weak economy. These efforts included reduced staffing and work schedules and reduced discretionary spending, which are expected to continue until the economy rebounds.

Offsetting the decreases were increases for the unfavorable effect of a weaker U.S. dollar on the translation of foreign costs into U.S. dollars and unfavorable effects of foreign exchange on sales in foreign currencies at our Swiss subsidiary. As a percentage of K-Tron's revenue, SG&A increased to 32.1% in the first three months of 2010 compared to 25.4% in the first three months of 2009 due mostly to the impact of lower revenues and the substantially fixed nature of many of these expenses.

Research and development ("R&D") expense increased by \$21,000 or 3.7% in the first quarter of 2010 compared to the same period in 2009, primarily due to the effect of a weaker U.S. dollar in the first quarter of 2010 on the translation into U.S. dollars of R&D expenses incurred in Switzerland.

Interest expense, net of interest income, decreased by \$238,000 or 76.3% in the first quarter of 2010 compared to the same period in 2009. This decrease was primarily due to the effect of lower debt levels.

Income before income taxes decreased to (\$6,185,000) in the first quarter of 2010 compared to \$6,661,000 for the same period in 2009. This quarter-over-quarter decrease of \$12,846,000 was primarily the result of \$10,081,000 in non-recurring transaction costs associated with our acquisition of K-Tron on April 1, 2010, along with the impact of lower revenue in the first quarter of 2010.

The income tax (benefit) provisions for the first quarters of 2010 and 2009 were (\$769,000) and \$2,214,000, respectively, and the overall effective income tax rates were a 12.4%

[Table of Contents](#)

benefit rate and a 33.2% provision rate, respectively. The lower effective income tax benefit rate in 2010 versus the income tax provision rate in 2009 was primarily due to the impact of non-deductible transaction costs associated with our acquisition of K-Tron.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Exhibits</u>
10.1	Amendment No. 2 dated as of June 30, 2010 to Credit Agreement dated as of March 28, 2008, among Hillenbrand, Inc., the lenders named therein, Citibank, N.A., as resigning agent, and JPMorgan Chase Bank, N.A., as successor agent for the lenders
10.2	Letter Amendment No. 1, dated as of December 16, 2009 to Credit Agreement dated as of March 28, 2008, among Hillenbrand, Inc., the lenders named therein, and Citibank, N.A., as agent for the lenders

SIGNATURES

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 hereunto duly authorized

HILLENBRAND, INC.

DATE: July 6, 2010

By: /s/ Cynthia L. Lucchese
Cynthia L. Lucchese
Senior Vice President and Chief Financial Officer

DATE: July 6, 2010

By: /s/ John R. Zerkle
John R. Zerkle
Senior Vice President, General Counsel & Secretary

AMENDMENT NO. 2

Dated as of June 30, 2010

to

CREDIT AGREEMENT

Dated as of March 28, 2008

THIS AMENDMENT NO. 2 (this "Amendment") is made as of June 30, 2010 by and among Hillenbrand, Inc. (formerly named Batesville Holdings, Inc.) (the "Borrower"), the financial institutions listed on the signature pages hereof (collectively, the "Lenders"), Citibank, N.A. ("Citibank") in its capacity as resigning agent (the "Resigning Agent"), and JPMorgan Chase Bank, N.A. ("JPMorgan") in its capacity as successor agent for the Lenders (the "Successor Agent"), under that certain Credit Agreement dated as of March 28, 2008 by and among the Borrower, the Lenders and Citibank, as amended by Letter Agreement No. 1, dated as of December 16, 2009 (as may be further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Borrower, the Required Lenders, the Resigning Agent and the Successor Agent have agreed to make certain amendments to the Credit Agreement;

WHEREAS, the parties hereto have agreed to such amendments, including the appointment of a successor Agent, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto have agreed to enter into this Amendment.

1. Resignation of Agent and Appointment of Successor Agent. Citibank resigns as Agent, JPMorgan agrees to be successor Agent and is appointed as successor Agent by the Required Lenders, and JPMorgan shall be the Agent for all purposes under the Loan Documents, all effective as of the date of satisfaction of the conditions precedent set forth in Section 3 below (the "Effective Date").

2. Amendments to Credit Agreement. Effective as of the Effective Date, the Credit Agreement is amended as follows:

(a) Section 1.01 of the Credit Agreement is amended to add the following definitions thereto and, where applicable, to replace the corresponding previously existing definitions:

"Agent's Account" means such account of the Agent as is designated in writing from time to time by the Agent to the Borrower and the Lenders for such purpose.

“Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus $\frac{1}{2}$ of 1% and (c) the Eurodollar Rate (as adjusted pursuant to Section 2.11(a)) for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Eurodollar Rate for any day shall be based on the rate appearing on Reuters LIBOR01 Page (and any successor page) at approximately 11:00 a.m. London time on such day. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Rate or the Eurodollar Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Rate or the Eurodollar Rate, respectively.

“Defaulting Lender” means any Lender, as determined by the Agent, that has (a) failed to fund any portion of its Advances or participations in Letters of Credit within three (3) Business Days of the date required to be funded by it hereunder, (b) notified the Borrower, the Agent, any Issuing Bank or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) failed, within three (3) Business Days after request by the Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Advances and participations in then outstanding Letters of Credit, (d) otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute, or (e) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

“Fee Letters” means the fee letter among the Borrower, JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Inc. dated June 25, 2010.

“L/C Exposure” means, at any time, the sum of (a) the aggregate Available Amount of all outstanding Letters of Credit at such time plus (b) the aggregate principal amount of all Advances made by each Issuing Bank pursuant to Section 2.03(c) that have not been reimbursed by or on behalf of the Borrower at such time. The L/C Exposure of any Lender at any time shall be its Ratable Share of the total L/C Exposure at such time.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Reference Bank” means JPMorgan Chase Bank, N.A. and Bank of America, N.A.

“Specified Indebtedness” means Indebtedness issued by the Borrower or any Subsidiary pursuant to (i) an offering of debt securities in the capital markets registered under the Securities Act of 1933, as amended, or exempt therefrom in reliance upon Rule 144A thereunder or (ii) a private placement of debt securities by the Borrower or such Subsidiary directly to institutional investors.

(b) Section 1.03 of the Credit Agreement is amended to add the following sentence to the end thereof:

“Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any of its Subsidiaries at “fair value”, as defined therein.”

(c) Article II of the Credit Agreement is amended to add the following as a new Section 2.20 thereof:

“SECTION 2.20. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any L/C Exposure exists at the time a Lender is a Defaulting Lender, the Borrower shall within three (3) Business Days following notice by the Agent cash collateralize such Defaulting Lender’s L/C Exposure in accordance with the procedures set forth in Section 6.02 for so long as such L/C Exposure is outstanding; and

(b) no Issuing Bank shall be required to issue, amend or increase any Letter of Credit unless it is satisfied that cash collateral will be provided by the Borrower in accordance with Section 2.20(a).”

(d) Section 5.01 (e) of the Credit Agreement is amended to add the word “not” immediately prior to the phrase “reasonably be expected to have a Material Adverse Effect” appearing in the clause (iii) thereof.

(e) Section 5.02(h)(i) of the Credit Agreement is amended to insert the words “or licenses” after the word “leases” in clause (A)(x) thereof.

(f) Section 5.02(h)(i)(C) of the Credit Agreement is amended to (i) insert the word “such” in front of the words “negative pledge” and (ii) insert the following at the end of clause (C) thereof:

“or (z) incurred or provided in favor of any holder of Specified Indebtedness permitted under Section 5.02(c)(vi) or 5.02(c)(x), and provided, further that this subsection (i) shall not apply to:

(1) any restriction or conditions contained in any Contractual Obligation of any Subsidiary if such Contractual Obligation relates to Liens existing on property at

the time of acquisition thereof by the Borrower or any Subsidiary and not created in contemplation thereof;

(2) any restriction or conditions contained in any Contractual Obligation of any Subsidiary if such Contractual Obligation relates to Liens existing on property of a Subsidiary at the time such Subsidiary is merged or consolidated with or into, or acquired by, the Borrower or any Subsidiary or becomes a Subsidiary and not created in contemplation thereof;

(3) any restriction or conditions contained in any Contractual Obligation relating to or governing any equity interests, securities or Indebtedness of a Subsidiary existing at the time such Subsidiary is merged or consolidated with or into, or acquired by, the Borrower or any Subsidiary or becomes a Subsidiary and not entered into in contemplation thereof;

(4) customary provisions limiting assignments of agreements in the ordinary course of business;

(5) customary restrictions on cash or other deposits (including escrowed funds) received by Borrower or any Subsidiary in the ordinary course of business; or

(6) customary provisions in joint venture agreements and other similar agreements concerning joint ventures and applicable solely to such joint venture;”

(g) Section 5.02(h)(ii) of the Credit Agreement is further amended to restate the proviso set forth therein in its entirety as follows:

“; provided that this subsection (ii) shall not prohibit (x) the grant of Liens otherwise permitted under Section 5.02(a) and (y) any such requirement to grant a Lien in favor of any holder of Specified Indebtedness permitted under Section 5.02(c)(vi) or 5.02(e)(x).”

(h) Section 8.01 of the Credit Agreement is amended to delete the name “Citibank, N.A.” appearing therein and to replace such name with the name “JPMorgan Chase Bank, N.A.”.

(i) Section 9.02 of the Credit Agreement is amended to (i) delete the phrase “Two Penns Way, New Castle, 19720, Attention: Bank Loan Syndications Department” appearing in clause (a) thereof and to replace such phrase with the phrase “10 South Dearborn, Chicago, Illinois 60603, Attention Hiral Patel, Loan and Agency Services” and (ii) delete the first sentence of clause (b) thereof in its entirety.

(j) Schedule I to the Credit Agreement is deleted in its entirety and replaced with Schedule I attached hereto.

3. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the conditions precedent that (i) JPMorgan shall have received (a) counterparts of this Amendment duly executed by the Borrower, the Required Lenders, the Resigning Agent and the Successor Agent and the Consent and Reaffirmation attached hereto duly executed by the Guarantors and (b) such other instruments and documents as are reasonably requested by the Successor Agent and (ii) the Borrower shall have paid, to the extent invoiced, not less than one (1) Business Day prior to the date hereof, all reasonable and documented out-of-pocket expenses of the Resigning Agent and the Successor Agent

(including attorneys' fees and expenses) in connection with this Amendment.

4. Indemnification. For the avoidance of doubt, the provisions of Sections 9.04(a), (b), (d) and (e) and Article VIII of the Credit Agreement shall (i) inure to the Successor Agent's benefit and (ii) continue to inure to the Resigning Agent's benefit as to any actions taken or omitted to be taken by it while it was Agent under the Credit Agreement and the provisions of Section 9.04(e) of the Credit Agreement shall continue inure to Citibank's benefit as to any actions taken or omitted to be taken by it as an Issuing Bank under the Credit Agreement.

5. Representations and Warranties of the Borrower. The Borrower represents and warrants that (a) the representations and warranties contained in Section 4.01 of the Credit Agreement are correct with the same effect as though made on and as of the date hereof except (i) to the extent that such representations and warranties specifically refer to an earlier date, such representations and warranties are true and correct as of such earlier date and (ii) the representations and warranties contained in subsections (i) and (ii) of Section 4.01(d) of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (i) and (ii), respectively, of Section 5.01(a) of the Credit Agreement, before and after giving effect to this Amendment, and (b) no Default has occurred and is continuing.

6. Reference to and Effect on the Credit Agreement

(a) Upon the effectiveness hereof, (i) each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby and (ii) each reference to "Agent" in the Credit Agreement or any other Loan Document shall mean and be a reference to JPMorgan in its capacity as successor Agent for the Lenders.

(b) Except as specifically amended above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

7. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

9. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

HILLENBRAND, INC.,
as the Borrower

By: /s/ Mark R. Lanning

Name: Mark R. Lanning

Title: Vice President Investor Relations and Treasurer

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

CITIBANK, N.A.,
as Resigning Agent

By: /s/ Blake Gronich

Name: Blake Gronich

Title: Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

JPMORGAN CHASE BANK, N.A.,
as Successor Agent

By: /s/ Dana J. Moran

Name: Dana J. Moran

Title: Vice President

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Dana J. Moran

Name: Dana J. Moran

Title: Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Chris Burns

Name: Chris Burns

Title: Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jeffrey P. Fisher
Name: Jeffrey P. Fisher
Title: Assistant Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

FIFTH THIRD BANK,
as a Lender

By: /s/ David O'Neal

Name: David O'Neal

Title: Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Michael P. Dickman
Name: Michael P. Dickman
Title: Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

REGIONS BANK,
as a Lender

By: /s/ Eric Harvey

Name: Eric Harvey

Title: Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Phillip McCaulay _____
Name: Phillip McCaulay
Title: Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

WILLIAM STREET LLC,
as a Lender

By: /s/ Mark Walton
Name: Mark Walton
Title: Authorized Signatory

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

RBS CITIZENS, N.A.,
as a Lender

By: /s/ André A. Nazareth
Name: André A. Nazareth
Title: Senior Vice President

Signature Page to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

CONSENT AND REAFFIRMATION

The undersigned hereby acknowledges receipt of a copy of the foregoing Amendment No. 2 to the Credit Agreement dated as of March 28, 2008 (the "Credit Agreement") by and among Batesville Holdings, Inc. (predecessor to Hillenbrand, Inc.) (the "Borrower"), the financial institutions from time to time party thereto (the "Lenders") and Citibank, N.A. (predecessor to JPMorgan Chase Bank, N.A.), as Agent (the "Agent"), which Amendment No. 2 is dated as of June 30, 2010 (the "Amendment"). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement. Without in any way establishing a course of dealing by the Agent or any Lender, each of the undersigned consents to the Amendment and reaffirms the terms and conditions of the Credit Agreement (including, but not limited to, the Guaranty) and any other Loan Document executed by it and acknowledges and agrees that such agreements and each and every such Loan Document executed by the undersigned in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above-referenced documents shall be a reference to the Credit Agreement as so modified by the Amendment.

Dated: June 30, 2010

[Signature Page Follows]

BATESVILLE SERVICES, INC., as Guarantor

By: /s/ Mark R. Lanning

Name: Mark R. Lanning

Title: Vice President and Treasurer

K-TRON INTERNATIONAL, INC., as Guarantor

By: /s/ Mark R. Lanning

Name: Mark R. Lanning

Title: Assistant Treasurer

K-TRON INVESTMENT CO., as Guarantor

By: /s/ Mark R. Lanning

Name: Mark R. Lanning

Title: Assistant Treasurer

PENNSYLVANIA CRUSHER CORPORATION, as Guarantor

By: /s/ Mark R. Lanning

Name: Mark R. Lanning

Title: Assistant Treasurer

Signature Page to Consent and Reaffirmation to Amendment No. 2
Hillenbrand, Inc.
Credit Agreement dated as of March 28, 2008

SCHEDULE I
HILLENBRAND, INC.
FIVE YEAR CREDIT AGREEMENT
APPLICABLE LENDING OFFICES

Name of Initial Lender	Revolving Credit Commitment	Letter of Credit Commitment	Domestic Lending Office	Eurodollar Lending Office
JPMorgan Chase Bank, N.A.	\$67,500,000	\$30,000,000	10 South Dearborn St. Chicago, IL 60603 Attn: Hiral Patel T: 312-732-6221 F: 312-385-7096	10 South Dearborn St. Chicago, IL 60603 Attn: Hiral Patel T: 312-732-6221 F: 312-385-7096
RBS Citizens, N.A.	\$67,500,000		27777 Franklin Road MH1970 Southfield, MI 48034 T: 248-226-7724 F: 248-228-9402	27777 Franklin Road MH1970 Southfield, MI 48034 T: 248-226-7724 F: 248-228-9402
Bank of America, N.A.	\$45,000,000	\$10,000,000	101 N. Tryon Street, 4 th Floor Charlotte, NC 28255 Attn: Manpreet Kaur T: 415-436-4777 ext. 8544 F: 214-290-9446	101 N. Tryon Street, 4 th Floor Charlotte, NC 28255 Attn: Manpreet Kaur T: 415-436-4777 ext. 8544 F: 214-290-9446
PNC Bank, National Association	\$45,000,000	\$10,000,000	201 East Fifth Street Cincinnati, OH 45202 Attn: Marc Accamando T: 412-768-6214 F: 412-768-4586	201 East Fifth Street Cincinnati, OH 45202 Attn: Marc Accamando T: 412-768-6214 F: 412-768-4586
Fifth Third Bank	\$45,000,000		38 Fountain Square Plaza Cincinnati, OH 45263 Attn: Joyce Elam T: 513-358-7336 F: 513-358-3479	38 Fountain Square Plaza Cincinnati, OH 45263 Attn: Joyce Elam T: 513-358-7336 F: 513-358-3479
U.S. Bank National Association	\$45,000,000		One U.S. Bank Plaza SL-MO-T12M St. Louis, MO 63101 Attn: Barbara Campbell T: 920-237-7370 F: 920-237-7993	One U.S. Bank Plaza SL-MO-T12M St. Louis, MO 63101 Attn: Barbara Campbell T: 920-237-7370 F: 920-237-7993
Regions Bank	\$35,000,000		417 North 20 th Street Birmingham, AL 35203 Attn: Ashley Lewis T: 205-420-5574 F: 205-801-5250	417 North 20 th Street Birmingham, AL 35203 Attn: Ashley Lewis T: 205-420-5574 F: 205-801-5250
The Northern Trust Company	\$25,000,000		50 S. LaSalle Street Chicago, IL 60675 Attn: Ms. Sharon Jackson T: 312-630-1609 F: 312-630-1566	50 S. LaSalle Street Chicago, IL 60675 Attn: Ms. Sharon Jackson T: 312-630-1609 F: 312-630-1566

Name of Initial Lender	Revolving Credit Commitment	Letter of Credit Commitment	Domestic Lending Office	Eurodollar Lending Office
William Street LLC	\$ 25,000,000		1 New York Plaza, 40th Floor New York, NY 10004 Attn: Pedro Ramirez T: 917-343-8319 F: 212-428-1243	1 New York Plaza, 40th Floor New York, NY 10004 Attn: Pedro Ramirez T: 917-343-8319 F: 212-428-1243
Total:	\$400,000,000	\$50,000,000		

LETTER AMENDMENT NO. 1

Dated as of December 16, 2009

To the banks, financial institutions and other institutional lenders (collectively, the "Lenders") parties to the Credit Agreement referred to below and to Citibank, N.A., as agent (the "Agent") for the Lenders

Ladies and Gentlemen:

We refer to the Credit Agreement dated as of March 28, 2009 (the "Credit Agreement") among the undersigned and you. Capitalized terms not otherwise defined in this Letter Amendment have the same meanings as specified in the Credit Agreement.

It is hereby agreed by you and us as follows:

(a) Section 5.01(k)(A) is amended in full to read as follows:

(A) within 10 days after such formation or acquisition (which in the case of an acquisition utilizing a tender offer made in connection with a merger agreement, shall be deemed to have occurred when the merger is consummated), cause each such Subsidiary, and cause each direct and indirect parent (other than the Borrower) of such Subsidiary (if it has not already done so), to duly execute and deliver to the Agent a guaranty or guaranty supplement, in form and substance satisfactory to the Agent, guaranteeing the Guaranteed Obligations, and

(b) Section 5.02(d) of the Credit Agreement is, effective as of the date of this Letter Amendment, hereby amended by:

(i) deleting the proviso in clause (i) thereof in full; and

(ii) restating clause (B) of the proviso in clause (iii) thereof in full to read "if any Material Subsidiary is a party to such merger, the continuing or surviving Person shall be a Subsidiary of the Borrower, unless in accordance with Section 9.01 the Lenders shall have agreed to terminate and release the Guaranty of such Material Subsidiary effective as of the consummation of such merger.

(c) Section 5.02(f) is amended in full to read as follows:

(f) Change in Nature of Business. Enter, or permit any Subsidiary to enter, into any business, if after giving effect thereto, the business of the Borrower and its Subsidiaries, taken as a whole, would be substantially different from the business in

which the Borrower and its Subsidiaries, taken as a whole, are presently engaged, provided, however, that the foregoing shall not preclude entry into or acquisition of any business for the manufacturing or distribution of goods (including without limitation machinery and equipment) where it is reasonable for the Borrower to assume that the core competencies of the Borrower and its Subsidiaries developed in the conduct of their existing business will add value to such new business.

This Letter Amendment shall become effective as of the date first above written when, and only when, the Agent shall have received counterparts of this Letter Amendment executed by the undersigned and the Required Lenders. This Letter Amendment is subject to the provisions of Section 9.01 of the Credit Agreement.

The Borrower represents and warrants that (a) the representations and warranties contained in Section 4.01 of the Credit Agreement are correct with the same effect as though made on and as of the date hereof except (i) to the extent that such representations and warranties specifically refer to an earlier date, such representations and warranties are true and correct as of such earlier date and (ii) the representations and warranties contained in subsections (i) and (ii) of Section 4.01(d) of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (i) and (ii), respectively, of Section 5.01(a) of the Credit Agreement, before and after giving effect to this Amendment, and (b) no Default has occurred and is continuing.

On and after the effectiveness of this Letter Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes and each of the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Letter Amendment.

The Credit Agreement, the Notes and each of the other Loan Documents, as specifically amended by this Letter Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The execution, delivery and effectiveness of this Letter Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

If you agree to the terms and provisions hereof, please evidence such agreement by executing and returning at least two counterparts of this Letter Amendment to Susan L. Hobart, Shearman & Sterling LLP, 599 Lexington Avenue, New York, New York 10022.

This Letter Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Letter Amendment by electronic transmission shall be effective as delivery of a manually executed counterpart of this Letter Amendment.

This Letter Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

Very truly yours,

HILLENBRAND, INC.

By: /s/ Mark R. Lanning

Name: Mark R. Lanning

Title: Vice President

Agreed as of the date first above written:

CITIBANK, N.A.,
as Agent and as Lender

By: /s/ Andrew Sidford

Title: Vice President

JPMORGAN CHASE BANK, N.A.

By: /s/ Dana J. Moran

Name: Dana J. Moran

Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ W. Thomas Barnett

Name: W. Thomas Barnett

Title: Senior Vice President

FIFTH THIRD BANK

By: /s/ David O'Neal

Name: David O'Neal

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ C. Joseph Richardson
Name: C. Joseph Richardson
Title: Senior Vice President

U.S. BANK, NATIONAL ASSOCIATION

By: /s/ Michael P. Dickman
Name: Michael P. Dickman
Title: Vice President

REGIONS BANK

By: /s/ Eric Harvey
Name: Eric Harvey
Title: Vice President

RBS CITIZENS, N.A.

By: /s/ André A. Nazareth
Name: André A. Nazareth
Title: Senior Vice President

THE NORTHERN TRUST COMPANY

By: /s/ Phillip McCaulay
Name: Phillip McCaulay
Title: Vice President

WILLIAM STREET LLC

By: /s/ Mark Walton
Name: Mark Walton
Title: Authorized Signatory