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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2008 Commission File No.001-33794

HILLENBRAND, INC.

(Exact name of registrant as specified in its charter)

Indiana	**26-1342272**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No)
One Batesville Boulevard **Batesville, IN**	**47006**
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
(Former name, former address and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, without par value — 62,433,381 shares as of July 31, 2008.

HILLENBRAND, INC.

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PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Hillenbrand, Inc.

Consolidated Statements of Income (Unaudited)
(Amounts in millions, except per share data)

	Three Months Ended June 30		Nine Months Ended June 30	
	2008	2007	2008	2007
Net revenues	$ 165.0	$ 165.6	$ 519.3	$ 509.0
Cost of goods sold	98.6	98.7	302.8	293.3
Gross profit	66.4	66.9	216.5	215.7
Operating expenses (including separation costs of $0.1 and $14.2 in the three and nine month periods ending June 30, 2008, respectively. See Note 5.)	28.4	34.1	99.2	89.0
Operating profit	38.0	32.8	117.3	126.7
Interest expense	(1.4)	—	(1.4)	—
Investment income and other	4.4	1.0	3.9	1.0
Income before income taxes	41.0	33.8	119.8	127.7
Income tax expense	14.3	12.3	45.8	46.8
Net income	$ 26.7	$ 21.5	$ 74.0	$ 80.9
Income per common share - basic and diluted (Note 8)	$ 0.42	$ 0.34	$ 1.18	$ 1.29
Dividends per common share	$ 0.1825	$ —	$ 0.1825	$ —
Average common shares outstanding - basic and diluted (Note 8)	62.5	62.5	62.5	62.5

See Notes to Consolidated Financial Statements

Hillenbrand, Inc.

Consolidated Balance Sheets (Unaudited)
(Dollars in millions)

	June 30 2008	September 30 2007
ASSETS		
Current Assets		
Cash and cash equivalents	$ 33.0	$ 11.9
Trade receivables, net	85.6	90.9
Inventories	50.3	47.5
Deferred income taxes	18.8	16.0
Prepaid income taxes	0.6	0.3
Other current assets	8.5	3.6
Total current assets	196.8	170.2
Property, net	91.2	88.9
Intangible assets, net	20.7	23.0
Auction rate securities (Note 2)	52.7	—
Investments (Note 2)	153.4	—
Prepaid pension costs	—	1.6
Deferred income taxes	10.9	16.2
Due from Hill-Rom Holdings, Inc. (Note 5)	9.1	—
Other assets	31.6	16.7
Total Assets	$ 566.4	$ 316.6
LIABILITIES		
Current Liabilities		
Revolving credit facility (Note 4)	$ 110.0	$ —
Trade accounts payable	14.1	18.3
Accrued compensation	24.4	20.6
Accrued customer rebates	18.3	20.3
Other current liabilities	19.4	16.6
Due to Hill-Rom Holdings, Inc. (Note 1)	9.1	—
Total current liabilities	195.3	75.8
Deferred compensation, long-term portion	7.3	8.6
Accrued pension and postretirement healthcare, long-term portion	37.8	28.1
Other long-term liabilities	41.0	23.2
Total Liabilities	281.4	135.7
Commitments and Contingencies (Note 11)		
SHAREHOLDERS' EQUITY (Notes 3 and 9)		
Parent company equity	—	193.5
Common stock, no par value	—	—
Additional paid-in-capital	284.3	—
Retained earnings	15.2	—
Accumulated other comprehensive loss (Note 13)	(14.5)	(12.6)
Total Shareholders' Equity	285.0	180.9
Total Liabilities and Shareholders' Equity	$ 566.4	$ 316.6

See Notes to Consolidated Financial Statements

Hillenbrand, Inc.

Consolidated Statements of Cash Flows (Unaudited)
(Dollars in millions)

	Nine Months Ended June 30	
	2008	**2007**
Operating Activities:		
Net income	$ 74.0	$ 80.9
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	14.1	13.2
Provision for deferred income taxes	1.0	(4.7)
(Gain)/loss on disposal of property	(0.1)	1.0
Interest income on Forethought note receivable	(2.8)	—
Equity in earnings of affiliates	(0.4)	—
Stock based compensation	0.5	—
Trade accounts receivable	5.2	4.6
Inventories	(2.9)	(3.0)
Other current assets	(3.8)	2.8
Trade accounts payable	(4.2)	1.4
Accrued expenses and other current liabilities	8.0	(2.5)
Income taxes prepaid or payable	13.6	4.0
Amounts due to/from Hill-Rom Holdings, Inc.	(11.1)	—
Defined benefit plan funding	(1.3)	(1.4)
Change in deferred compensation	(0.5)	0.7
Other, net	1.5	2.9
Net cash provided by operating activities	90.8	99.9
Investing Activities:		
Capital expenditures	(6.1)	(9.9)
Proceeds on disposal of property	0.3	1.0
Payment for acquisitions of businesses, net of cash acquired	(0.4)	(5.2)
Proceeds from sale of auction rate securities	2.7	—
Return of investment capital from affiliates	0.6	—
Net cash used in investing activities	(2.9)	(14.1)
Financing Activities:		
Proceeds from revolving credit facility	250.0	—
Repayments on revolving credit facility	(140.0)	—
Deferred financing costs	(0.9)	—
Net change in advances to parent	(290.3)	(85.0)
Cash received from parent in connection with separation	125.4	—
Payment of dividends on common stock	(11.4)	—
Proceeds on issuance of common stock	0.4	—
Net cash used in financing activities	(66.8)	(85.0)
Effect of exchange rate changes on cash and cash equivalents	—	0.2
Net cash flows	21.1	1.0
Cash and cash equivalents:		
At beginning of period	11.9	7.9
At end of period	$ 33.0	$ 8.9

See Note 1 for non-cash transactions resulting from the “Distribution.”

See Notes to Consolidated Financial Statements

Hillenbrand, Inc.

Notes to Consolidated Financial Statements

1. Distribution and Description of the Business

Distribution

Until the close of business on March 31, 2008, Hillenbrand, Inc. ("Hillenbrand"), formerly known as Batesville Holdings, Inc., was a wholly owned subsidiary of Hillenbrand Industries, Inc. After the close of business on March 31, 2008, Hillenbrand Industries, Inc., at the approval of its Board of Directors, completed a tax free pro-rata distribution to its shareholders of 100% of the common shares of Hillenbrand (the "Distribution"). Beginning April 1, 2008, Hillenbrand began trading on the New York Stock Exchange ("NYSE") under the symbol "HI" as an independent public company. Contemporaneously, Hillenbrand Industries, Inc., changed its name to Hill-Rom Holdings, Inc. ("Hill-Rom"). The Distribution is described in detail in our information statement dated March 17, 2008, filed as Exhibit 99.1 to our Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 18, 2008. Unless the context otherwise requires, the terms "the Company," "we," "our" and "us" refers to Hillenbrand. The term "Hill-Rom" or "parent" refers to Hill-Rom Holdings, Inc. as well as its predecessor, our former parent, Hillenbrand Industries, Inc.

Significant Components of the Distribution

In connection with the Distribution, we executed the following transactions:

- Hill-Rom transferred to us at March 31, 2008:
  - Investments in private equity limited partnerships and common stock (carrying value of $27.9 million) and a note receivable from Forethought Financial Group, Inc. (carrying value of $124.6 million).
  - Auction rate securities (carrying value of $55.3 million plus interest receivable of $0.8 million).
  - Net unrealized gains on available for sale securities (net of taxes), of $3.3 million as a component of accumulated other comprehensive loss.
  - A joint ownership interest in the corporate conference center facilities (carrying value of $1.2 million) and the corporate aircraft (carrying value of $6.3 million), in addition to other fixed assets (carrying value of $0.6 million).
  - Various deferred tax assets and liabilities associated with the assets described above (net asset carrying value of $0.4 million), our share of prepaid income taxes (carrying value of $14.6 million), and income taxes payable to Hill-Rom generated by our operations through the date of separation (carrying value of $19.2 million at March 31, 2008, subsequently paid down to $7.9 million at June 30, 2008).
  - Cash of $110.0 million and a $15.4 million receivable, which we collected from Hill-Rom in April 2008.
- Hill-Rom distributed approximately 62.3 million shares of our common stock to holders of Hill-Rom common stock. Approximately 0.1 million additional shares of our common stock were issued in connection with certain Hill-Rom restricted stock units that vested in connection with the Distribution. Additionally, certain stock based awards previously issued in Hill-Rom common stock outlined in Note 10 were converted into awards based in our common stock.
- The parent company investment account of $283.3 million immediately prior to the separation, was reclassified to additional paid-in capital.

Nature of Operations

We are a leader in the North American death care industry. We manufacture, distribute and sell funeral service products to licensed funeral directors who operate licensed funeral homes. Our Batesville Casket branded products consist primarily of burial caskets but also include cremation caskets, containers and urns, selection room display fixturing for funeral homes, and other personalization and memorialization products and services, including the creation and hosting of websites for licensed funeral homes.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC for interim financial statements and therefore do not include all information required in accordance with accounting principles generally accepted in the United States of America ("U.S."). Except for the adoption of Financial Accounting Standards Board ("FASB") Interpretation ("FIN") 48, "Accounting for Uncertainty in Income Taxes," on October 1, 2007, and the effects of the Distribution on March 31, 2008, the unaudited consolidated financial statements have been prepared on the same basis as the consolidated financial statements as of September 30, 2007, and for the year ended September 30, 2007, and in the opinion of management, reflect all normal and recurring adjustments considered necessary to present fairly the Company's consolidated financial position and the consolidated results of its operations and its cash flows as of the dates and for the periods presented. These consolidated financial statements should be read in conjunction with the financial statements of the Funeral Service Business of Hillenbrand Industries, Inc. as of September 30, 2007, and 2006, and for each of the three years in the period ended September 30, 2007, included in the Company's Registration Statement on Form 10, as amended. The consolidated results of operations for the three and nine month periods ended June 30, 2008, are not necessarily indicative of the results that may be expected for the year ending September 30, 2008, or for any other future periods.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. Prior to close of business on March 31, 2008, our financial statements were considered combined (rather than consolidated) because of the nature of our legal structure prior to the Distribution. We refer to these earlier periods as "consolidated" for comparative and discussion purposes in this Form 10-Q.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Examples of such estimates include, but are not limited to, the establishment of reserves related to our customer rebates, allowance for doubtful accounts and early pay discounts, income taxes, accrued litigation, self insurance reserves, and the estimation of fair value associated with our short-term and noncurrent investments.

Cash and Cash Equivalents

We maintained our own cash accounts prior to the Distribution, although, until the Distribution, cash was managed centrally by Hill-Rom. Consequently, we have instituted our own cash management program, including the overnight transfer of account balances into money market funds. Cash and cash equivalents are stated at cost, which approximates fair value, and include short-term highly liquid investments with original maturities of three months or less.

Auction Rate Securities

At June 30, 2008, we held $52.7 million in a portfolio of auction rate securities (consisting of highly rated state and municipal bonds) classified as available-for-sale securities and recorded at fair value in accordance with Statement of Financial Accounting Standard ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The historical cost basis of this portfolio has been reduced by unrealized losses (net of tax) on these available-for-sale securities of $1.0 million, which have been included as a component of accumulated other comprehensive loss. We have estimated the current fair value of the portfolio with information provided by banks with expertise in valuing these securities, considering current liquidity limitations, interest rate risk, and the credit worthiness of the borrower, among other factors. The risk exists that the various valuation models utilized by the banks will not reasonably predict the actual price necessary to attract interested buyers for these securities.

As of June 30, 2008, the underlying securities in the portfolio consist of credit worthy borrowers with AAA debt ratings. Recent market conditions and auction failures have adversely impacted the liquidity of these securities resulting in the recording of unrealized losses. The continuing effect of these conditions has led us to conclude that an orderly conversion of the portfolio into cash will likely take more than 12 months. Accordingly, we are now classifying these securities as non-current. Although we have the ability and the intent to hold these assets until market conditions are more favorable, if current market conditions do not improve or worsen, we may not be able to readily convert these securities to cash. Such circumstances could result in further temporary unrealized losses or impairment, and liquidity and earnings could be adversely affected. During the three months ended June 30, 2008, we received $2.7 million in proceeds from the sale of these securities resulting in no gain or loss. When an investment is sold, we report the difference between the sales proceeds and its carrying value (determined based on specific identification) as a capital gain or loss. Because these investments were transferred to us in connection with the Distribution, no income from these investments was earned by us in any period prior to April 1, 2008. We earned interest income of $0.5 million on these securities during the three months ended June 30, 2008.

Investments

Our noncurrent investment portfolio consists of investments in private equity limited partnerships and common stock (carrying value of $26.0 million at June 30, 2008), and a note receivable from Forethought Financial Group, Inc. (carrying value of $127.4 million at June 30, 2008). These investments were transferred to us in connection with the Distribution.

We use the equity method of accounting for substantially all of our private equity limited partnership investments, with earnings or losses reported within the line item “investment income and other” in our consolidated statements of income. Our portion of any unrealized gains or losses related to our investments in the private equity limited partnerships and common stock are charged or credited to “accumulated other comprehensive loss” in shareholders’ equity, and deferred taxes are recognized for the income tax effect of any such unrealized gains or losses. As of June 30, 2008, $3.3 million of net unrealized gains (net of tax) have been recorded as a component of accumulated other comprehensive loss.

Earnings and carrying values for investments accounted for under the equity method are determined based on financial statements provided by the investment companies. Certain of these investments require commitments by us to provide additional funding of up to $4.6 million. The timing of this funding is uncertain but is expected to occur over the next five years.

When an investment is sold, we report the difference between the sales proceeds and its carrying value (determined based on specific identification) as a capital gain or loss.

As of June 30, 2008, the carrying value of the note receivable from Forethought Financial Group, Inc. includes the note’s face value of $107.7 million and interest receivable of $24.7 million, all reduced by the remaining unamortized discount of $5.0 million. This note carries an increasing rate of interest over its original ten-year term beginning June 2004, with interest accruing at 6.0% for the first five years and compounding semi-annually. The stated interest rate increases to 8.0% in June 2009, and to 10.0% in June 2011. The stated interest rates when taken together with amortization of the discount results in an effective interest rate of 9.5% over the life of the note. No payments of interest or principal are due under the note until fiscal 2010, at which time annual payments of $10.0 million are required. All outstanding amounts are due at maturity, which is scheduled to be July 2014 unless extended by Forethought Financial Group, Inc. for a period of up to two additional years. We earned interest income of $2.8 million on the note during the three months ended June 30, 2008.

We regularly evaluate all investments for possible impairment based on current economic conditions, credit loss experience, and other criteria. If there is a decline in an investment’s net realizable value that is other-than-temporary, the decline is recognized as a realized loss, and the cost basis of the investment is reduced to its estimated fair value. The evaluation of investments for impairment requires significant judgments to be made including (i) the identification of potentially impaired investments; (ii) the determination of their estimated fair value; and (iii) the assessment of whether any decline in estimated fair value is other-than-temporary.

Since these investments were transferred to us in connection with the Distribution, no income from these investments was earned by us in any period prior to April 1, 2008.

Judgment Sharing Agreement ("JSA")

As discussed in Note 5, in March 2008, we entered into a JSA with Hill-Rom related to antitrust litigation matters discussed in Note 11. We apply SFAS No. 5, "Accounting for Contingencies" in evaluating and accounting for this JSA. The JSA apportions responsibility between us and Hill-Rom for any potential liabilities associated with that litigation.

Income Taxes and Adoption of FIN 48

Our operating results have historically been included in Hill-Rom's consolidated U.S. income tax returns for periods prior to the Distribution. Foreign operations file income tax returns in a number of jurisdictions. As of the date of the Distribution, we owed Hill-Rom approximately $19.2 million for our portion of our former parent company's income tax liability related to our operations through the date of separation. The provision for income taxes in these financial statements has been determined on a separate return basis as if we were a separate, stand-alone taxpayer rather than a member of Hill-Rom's consolidated income tax return group. Deferred income taxes are computed in accordance with SFAS No. 109, "Accounting for Income Taxes," and reflect the net tax effects of temporary differences between the financial reporting carrying amounts of assets and liabilities and the corresponding income tax amounts. We have a variety of deferred tax assets in numerous tax jurisdictions. These deferred tax assets are subject to periodic assessment as to recoverability and if it is determined that it is more likely than not that the benefits will not be realized, valuation allowances are recognized. In evaluating whether it is more likely than not that we would recover these deferred tax assets, future taxable income, the reversal of existing temporary differences and tax planning strategies are considered.

On October 1, 2007, we adopted FIN 48, which addresses the accounting and disclosure of uncertain income tax positions. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The difference between the tax benefit recognized in the financial statements for a position in accordance with FIN 48 and the tax benefit claimed in the tax return is referred to as an unrecognized tax benefit.

The adoption of FIN 48, which was reflected as a cumulative effect of a change in accounting principle, resulted in a decrease to beginning parent company equity at October 1, 2007, of $1.8 million. The total amount of unrecognized tax benefits at that date was $7.4 million, which included $3.7 million that, if recognized, would impact the effective tax rate in future periods. The remaining amount relates to items which, if recognized, would not impact our effective tax rate.

We account for accrued interest and penalties related to unrecognized tax benefits in income tax expense. Accrued interest and penalties at October 1, 2007, were $0.2 million.

As noted above, for periods prior to the Distribution, Hill-Rom has filed or will file consolidated federal income tax returns, as well as multiple state and local tax returns that included our operating results. Our foreign operations file income tax returns in a number of jurisdictions.

In the normal course of business, we and Hill-Rom are subject to examination by the taxing authorities in each of the jurisdictions where we file tax returns, with open tax years generally ranging from 2003 and forward. As of October 1, 2007, Hill-Rom had completed audits with the Internal Revenue Service ("IRS") for tax years prior to fiscal 2002. Additionally, the IRS had concluded its audit of fiscal 2002 and 2003; however, these periods are not yet closed as Hill-Rom has filed a protest with the IRS, which is currently being appealed. Hill-Rom is in agreement with the audit findings of the IRS for these periods except for one tax matter which is unrelated to our operations. The IRS examination of fiscal years 2004 through 2006 was concluded in the third quarter ended June 30, 2008. We and Hill-Rom are currently under examination by the IRS for fiscal years 2007 through 2008.

There are other ongoing audits in various stages of completion in several state and foreign jurisdictions, one or more of which may conclude within the next 12 months. The resolution of these audits could involve some or all of the following: the payment of additional taxes, the adjustment of certain deferred taxes, and/or the recognition of unrecognized tax benefits. We do not expect that the outcome of these audits will significantly impact our financial statements.

During the three months ended December 31, 2007, the amount of unrecognized tax benefits at the adoption of FIN 48 was reduced by $2.6 million, primarily related to the settlement of the timing of certain compensation deductions. The offset to this adjustment was recorded as a reduction in deferred tax assets.

During the three months ended March 31, 2008, the amount of unrecognized tax benefits increased by $3.0 million primarily related to foreign jurisdiction audit activity. This increase in the gross unrecognized tax benefits was almost entirely offset by the recognition of additional deferred tax assets and prepaid income taxes on the balance sheet.

During the three months ended June 30, 2008, the amount of unrecognized tax benefits increased by $8.7 million primarily related to tax positions taken during the quarter, offset by reductions related to the conclusion of IRS audits related to fiscal years 2004 through 2006. This increase in gross unrecognized tax benefits, included in other long-term liabilities, was almost entirely offset by the reduction of deferred tax assets and an increase in non-current prepaid income taxes included as a component of other assets.

After recording the adjustments mentioned above, the total amount of gross unrecognized tax benefits as of June 30, 2008, was $16.5 million, which includes approximately $2.6 million that, if recognized, would impact the effective tax rate in future periods. The remaining amount relates to items which, if recognized, would not impact our effective tax rate.

We estimate that the total unrecognized tax benefit could decline by $1.0 million over the next 12 months. The decline would result from the settlement of examinations by taxing authorities and the expiration of applicable statutes of limitation.

As discussed in Note 5, we entered into a tax sharing agreement with Hill-Rom in connection with the Distribution.

Recently Issued Accounting Standards

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements.” This statement defines fair value, establishes a framework for measuring fair value, and expands the related disclosure requirements. SFAS No. 157 is effective as of the beginning of a company’s first fiscal year after November 15, 2007, which will be our fiscal year 2009. In February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 — Effective Date of FASB Statement No. 157) which delays the effective date of aspects of SFAS No. 157 to fiscal years beginning after November 15, 2008, our fiscal year 2010, and for interim periods within those years. This delay applies to all nonfinancial assets and nonfinancial liabilities except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis. We are currently evaluating its potential impact to our financial statements and results of operations.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities,” which gives entities the option to measure eligible financial assets and financial liabilities at fair value. Its objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. If adopted, the difference between carrying value and fair value at the election date is recorded as a transition adjustment to opening retained earnings. SFAS No. 159 is effective as of the beginning of a company’s first fiscal year after November 15, 2007, which will be our fiscal year 2009. We are evaluating the statement and have not yet determined the impact its adoption will have on our consolidated financial statements.

On December 4, 2007, the FASB issued SFAS No. 141(R), “Business Combinations,” and SFAS No. 160, “Noncontrolling interests in Consolidated Financial Statements — an amendment of ARB No. 51.” SFAS No. 141(R) changes the accounting for acquisition transaction costs by requiring them to be expensed in the period incurred and also changes the accounting for contingent consideration, acquired contingencies, and restructuring costs related to an acquisition. SFAS No. 160 requires that a noncontrolling (minority) interest in a consolidated subsidiary be displayed in the consolidated balance sheets as a separate component of equity. It also indicates that gains and losses should not be recognized on sales of noncontrolling interests in subsidiaries but that differences between sale proceeds and the consolidated basis of accounting should be accounted for as charges or credits to consolidated additional paid-in-capital. However, in a sale of a subsidiary’s shares that results in the deconsolidation of the subsidiary, a gain or loss should be recognized for the difference between the proceeds of that sale and the carrying amount of the interest sold. Also, a new fair value in any remaining noncontrolling ownership interest should be established. Both of these statements are effective for the first annual reporting period beginning on or after December 15, 2008, and early adoption is prohibited. As such, we will adopt the provisions of SFAS No. 141(R) and SFAS No. 160 beginning in our fiscal year 2010.

On March 19, 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133." The objective of SFAS No. 161 is to have entities provide qualitative disclosures about the objectives and strategies for using derivatives, quantitative data about the fair value of gains and losses on derivative contracts, and details of credit-risk related contingent features in their hedge positions. The statement also requires entities to disclose more information about the location and amounts of derivative instruments in financial statements. SFAS No. 161 is effective as of the beginning of a company's first fiscal year after November 15, 2008, which will be our fiscal year 2010. We are currently evaluating its potential impact to our financial statements and results of operations.

3. Supplementary Balance Sheet Information

The following information pertains to assets and consolidated shareholders' equity (dollars in millions, except share data):

	June 30 2008	September 30 2007
Allowance for possible losses and discounts on trade receivables	$ 15.6	$ 18.0
Inventories:		
Raw materials & work in process	$ 11.2	$ 10.3
Finished products	39.1	37.2
Total inventories	$ 50.3	$ 47.5
Accumulated depreciation of property	$ 226.7	$ 215.4
Accumulated amortization of intangible assets	$ 20.6	$ 18.3
Preferred stock, no par value:		
Shares authorized	1,000,000	None
Shares issued	None	None
Common stock, no par value:		
Shares authorized	199,000,000	None
Shares issued	62,432,919	None
Shares outstanding	62,432,919	None

4. Financing Agreement

In March 2008, we entered into a $400 million five-year senior revolving credit facility (the "Facility") with a syndicate of banks (the "Banks"). The term of the Facility expires in March 2013. Borrowings under the Facility bear interest at variable rates, based upon the Banks' base rate or LIBOR plus a margin amount based upon our public debt rating (all as provided in the credit agreement governing the Facility). During the quarter ended June 30, 2008, the applicable weighted average interest rate was 3.08%. The availability of borrowings under the Facility is subject to our ability at the time of borrowing to meet certain specified conditions. These conditions include compliance with covenants contained in the credit agreement governing the Facility, absence of default under the Facility, and continued accuracy of certain representations and warranties contained in the credit agreement. The credit agreement contains covenants that, among other matters, require the Company to maintain a ratio of Consolidated Indebtedness to Consolidated EBITDA (each as defined in the credit agreement) of not more than 3.5:1.0 and a ratio of Consolidated EBITDA to interest expense of not less than 3.5:1.0. The proceeds of the Facility may be used: (i) to consummate the separation from Hill-Rom; (ii) for working capital and other lawful corporate purposes; and (iii) to finance acquisitions.

As of June 30, 2008, we (i) had $1.8 million outstanding, undrawn letters of credit under the Facility, (ii) were in compliance with all covenants set forth in the credit agreement, and (iii) had $288.2 million of remaining borrowing capacity available under the Facility.

As of June 30, 2008, we had incurred and capitalized $0.9 million of deferred financing costs associated with the Facility. We also pay an annual facility fee of $0.5 million. These costs are being amortized as a component of interest expense over the term of the Facility on a straight-line basis.

5. Transactions with Hill-Rom

Allocation of Corporate Expenses

Through March 31, 2008, our operating expenses within our consolidated statements of income include allocations from Hill-Rom for certain Hill-Rom retained corporate expenses including treasury, accounting, tax, legal, internal audit, human resources, investor relations, general management, board of directors, information technology, other shared services, and certain severance costs. These allocations were determined on bases that management considered to be reasonable reflections of the utilization of services provided to or the benefits received by us. The allocation methods included revenues, headcount, square footage, actual utilization applied to variable operating costs, and specific identification based upon actual costs incurred when the nature of the item or charge was specific to us. See Note 6 for further discussion of retirement benefit and other postretirement healthcare costs. Hill-Rom allocated corporate costs, included in our consolidated statements of income, were as follows (dollars in millions):

	Three Months Ended June 30		Nine Months Ended June 30	
	2008	2007	2008	2007
Hill-Rom allocated costs	$ —	$ 3.8	$ 7.4	$ 10.0

Separation Costs

In addition to the allocated corporate expenses described above, we incurred or were allocated costs related to the separation from Hill-Rom during the three month and nine month periods ended June 30, 2008, in the aggregate amount of $0.1 million and $14.2 million, respectively. These costs consist primarily of investment banking and advisory fees, legal, accounting, recruiting, and consulting fees allocated based upon revenue or specific identification.

On March 14, 2008, the Board of Directors of Hill-Rom approved a modification to Hill-Rom's stock incentive plan that would automatically ensure that participants neither gained nor lost value purely as a result of the separation. As a result of the modification, we recorded $1.1 million of stock based compensation expense related to our employees as of that date. In addition, the separation caused the acceleration of $3.2 million of stock based compensation expense on previously unvested restricted stock units which are now fully vested. See Note 10 for further information on our stock based compensation programs.

Agreements with Hill-Rom

The Company entered into a Distribution Agreement as well as a number of other agreements with Hill-Rom to accomplish the separation of our business from Hill-Rom and the distribution of our common stock to Hill-Rom's shareholders and to govern the relationship between the Company and Hill-Rom subsequent to the Distribution. These agreements included:

- Distribution Agreement
- Judgment Sharing Agreement
- Employee Matters Agreement
- Tax Sharing Agreement

In addition, the Company and Hill-Rom entered into shared services and transition services agreements to outline certain services to be provided by each company and its subsidiaries to the other and its subsidiaries following the separation, as well as leases and subleases for locations that are being shared after the Distribution. Also, the Company entered into agreements providing for the joint ownership by us and Hill-Rom of certain assets, including certain aircraft and corporate conference facilities used by both companies. We also entered into a limited, mutual right of first offer or right of first refusal agreement with Hill-Rom with respect to various real estate and improvements thereon owned by us or Hill-Rom in the Batesville, Indiana area.

The distribution agreement, judgment sharing agreement, employee matters agreement and tax sharing agreement were each filed as exhibits to the Company's Current Report on Form 8-K filed with the SEC on March 18, 2008. The following presents a summary of these agreements between the Company and Hill-Rom.

Distribution Agreement — The distribution agreement sets forth the agreements between Hill-Rom and us with respect to the principal corporate transactions that were required to effect the separation and the distribution of our shares to Hill-Rom shareholders, the allocation of certain corporate assets and liabilities, and other agreements governing the relationship between Hill-Rom and us.

The distribution agreement provides that we and our subsidiaries will release and discharge Hill-Rom and its subsidiaries from all liabilities to us and our subsidiaries of any sort, including liabilities in connection with the transactions contemplated by the distribution agreement, except as expressly set forth in the agreement. Conversely, Hill-Rom and its subsidiaries will release and discharge us and our subsidiaries from all liabilities to Hill-Rom and its subsidiaries of any sort, including liabilities in connection with the transactions contemplated by the distribution agreement, except as expressly set forth in the agreement. The releases will not release any party from, among other matters, liabilities assumed by or allocated to the party pursuant to the distribution agreement or the other agreements entered into in connection with the separation or from the indemnification and contribution obligations under the distribution agreement or such other agreements. In addition, the distribution agreement provides that both Hill-Rom and we will indemnify each other against certain liabilities related to our respective business operations.

The distribution agreement also establishes procedures with respect to claims subject to indemnification and related matters.

In order to preserve the credit capacity of each of Hill-Rom and us to perform our respective obligations under the judgment sharing agreement described below, the distribution agreement imposes certain restrictive covenants on Hill-Rom and us. Specifically, the distribution agreement provides that, until the occurrence of an Agreed Termination Event (as described below), we and our subsidiaries will not:

- incur indebtedness to finance the payment of any extraordinary cash dividend on our outstanding capital stock or the repurchase of any outstanding shares of our capital stock (the parties have agreed that either of them can apply available cash to reduce indebtedness outstanding at the time of the Distribution, or generated by its ongoing operations after the Distribution, and subsequently incur a comparable amount of indebtedness for the purpose of paying an extraordinary cash dividend or repurchasing shares of capital stock without contravening the prohibitions set forth in this covenant);

- declare and pay regular quarterly cash dividends on our shares of common stock in excess of the $0.1825 per share quarterly dividend that we initially expect to pay following the distribution;

- make any acquisition outside our core area of business, defined to mean the manufacture or sale of funeral service products or any of our existing business lines or any other basic manufacturing or distribution business where it is reasonable to assume that our core competencies could add enterprise value;

- incur indebtedness in excess of $100 million to finance any acquisition in our core area of business without the receipt of an opinion from a qualified investment banker that the transaction is fair to our shareholders from a financial point of view; or

- incur indebtedness to make an acquisition in our core area of business that either (i) causes our ratio, calculated as provided in the distribution agreement, of Pro Forma Consolidated Total Debt to Consolidated EBITDA (each as defined in the distribution agreement) to exceed 1.8x or (ii) causes our credit rating by either Standard & Poor's Ratings Services or Moody's Investor Services to fall more than one category below its initial rating after giving effect to the Distribution.

As used in the distribution agreement, "Agreed Termination Event" means the first to occur of (i) the full and complete satisfaction of a trial court judgment in the last pending antitrust litigation matter described in Note 11, Commitments and Contingencies (including any other matter that is consolidated with any such matter) or the suspension of the execution of such judgment by the posting of a supersedeas bond or (ii) the settlement or voluntary dismissal of such last pending matter as to us and Hill-Rom. These restrictive covenants will terminate in the event that either Hill-Rom's or our funding obligations under the judgment sharing agreement terminate in accordance with the terms of that agreement. The distribution agreement imposes similar restrictions on Hill-Rom and its subsidiaries, except that the definition of core business is appropriate for Hill-Rom.

Judgment Sharing Agreement - Because we, Hill-Rom and the other co-defendants in the antitrust litigation matters described in Note 11 are jointly and severally liable for any damages that may be assessed at trial with no statutory contribution rights among the defendants, we and Hill-Rom entered into a JSA to allocate any potential liability under these cases and any other case that is consolidated with any such case. We believe that we have committed no wrongdoing as alleged by the plaintiffs and that we have meritorious defenses to class certification and to plaintiffs' underlying allegations and damage theories.

Under the JSA, the aggregate amount that we and Hill-Rom will be required to pay or post in cash (i) to satisfy in its entirety any claim (including upon settlement) once the action has been finally judicially determined or (ii) to post a bond, in the event we or Hill-Rom elect to do so, to stay the execution of any adverse judgment pending its final determination, will be funded in the following order of priority:

- First, we will be required to contribute an amount equal to:
  - the maximum amount of cash and cash proceeds that we have on hand or are able to raise using our best efforts, without any obligation to sell assets other than cash equivalents and subject to limitations on the amount of equity securities we are required to issue and the ability to retain cash sufficient to operate our business in the normal course, which we refer to as "maximum funding proceeds," minus
  - the difference between $50 million and the amount of cash retained to operate the business if the amount of such retained cash is less than $50 million;
- Second, Hill-Rom and its subsidiaries will be required to contribute their maximum funding proceeds; and
- Third, we will be required to contribute the remainder of our maximum funding proceeds.

Neither we nor Hill-Rom will be required to raise or provide funds if the total amount of funds available to both us and Hill-Rom would not be sufficient to cover a judgment or settlement amount or the cost of the appeal bond. The funding obligations of each company also are subject to a limitation relating to that company's continued solvency. The JSA provides that if the foregoing allocation is held to be unenforceable, we and Hill-Rom will be required to contribute to satisfy any funding obligation based upon a mutually satisfactory agreement as to our and Hill-Rom's relative culpability (if any) or, failing such an agreement, pursuant to arbitration under the arbitration provisions contained in the JSA.

The judgment sharing agreement provides that we are responsible for bearing all fees and costs incurred in the defense of the antitrust litigation matters on behalf of ourselves and Hill-Rom.

The Distribution Agreement contains provisions governing the joint defense of the antitrust litigation and other claims.

In the event that Hill-Rom or we are dismissed as a defendant in the antitrust litigation matters (except where the dismissal results from a settlement agreement other than a settlement not including both us and Hill-Rom) or are found upon conclusion of trial not to be liable for payment of any damages to the plaintiffs, any funding obligations under the JSA of the party so dismissed or found not liable will terminate once such dismissal or finding of no liability is finally judicially determined.

Employee Matters Agreement — We entered into an employee matters agreement with Hill-Rom prior to the Distribution that governs our compensation and employee benefit obligations with respect to our directors and our current and former employees, along with the assumption of liabilities for certain former Hill-Rom directors and employees and former employees of other non-medical technology businesses. The employee matters agreement allocates liabilities and responsibilities relating to employee compensation and benefits plans and programs and other related matters in connection with the Distribution including, without limitation, the treatment of outstanding Hill-Rom equity-based awards, certain outstanding annual and long-term incentive awards, existing deferred compensation obligations and certain retirement, postretirement, and welfare benefit obligations. In connection with the Distribution, we adopted, for the benefit of our employees and directors, a variety of compensation and employee benefits plans that are generally comparable in the aggregate to those provided previously by Hill-Rom immediately prior to the Distribution. We reserve the right to amend, modify or terminate each such plan in accordance with the terms of that plan. With certain possible exceptions, the employee matters agreement provided that as of the date of the Distribution, our employees and directors ceased to be active participants in, and we generally ceased to be a participating employer in, the benefit plans and programs maintained by Hill-Rom. At the time of the Distribution, our employees and directors became eligible to participate in all of our applicable plans. In general, we credited each of our employees with his or her service with Hill-Rom prior to the Distribution for all purposes under plans maintained by us, to the extent the corresponding Hill-Rom plans gave credit for such service and such crediting did not result in a duplication of benefits.

The employee matters agreement provides that as of the Distribution date, except as specifically provided therein, we assumed, retained, and are liable for all wages, salaries, welfare, incentive compensation, and employee-related obligations and liabilities for our directors and all current and former employees of our business, along with those for certain former Hill-Rom directors and corporate employees and former employees of other non-medical technology businesses. Accordingly, such liabilities have been included in our consolidated financial statements for all periods presented herein. The distribution agreement provides that if neither we nor Hill-Rom is entitled to receive a full deduction for any liabilities discharged by us with respect to these Hill-Rom directors and former employees, we will reassign those liabilities back to Hill-Rom and pay Hill-Rom an amount equal to the then carrying value of these liabilities on our books and records, net of taxes. Based upon the carrying amounts of these liabilities and the related tax benefits at March 31, 2008, the cash payment that we would have been required to make under the circumstances described above was approximately $13.9 million. Additionally, Hill-Rom and we agreed that with the assumption of liabilities for these Hill-Rom directors and former employees, we are entitled to the tax benefit from the satisfaction of such liabilities. Accordingly, we have reflected this tax benefit as an amount due from Hill-Rom in the amount of $9.1 million at March 31, 2008. The utilization of this tax benefit will be determined based on the cash benefit to us as if such deduction were taken and allowed on our filed tax returns, including any amended tax returns.

The employee matters agreement also provided for the transfer of assets and liabilities relating to the predistribution participation of all employees and directors for which we have assumed responsibility in various Hill-Rom retirement, postretirement, welfare, incentive compensation, and employee benefit plans from such plans to the applicable plans we adopt for the benefit of our employees and directors. The employee matters agreement provides that we and Hill-Rom may arrange with current service providers with respect to Hill-Rom's employee benefit plans to continue such services on a shared basis for a period of time following the Distribution and that we will reimburse Hill-Rom for our share of the cost of such shared services.

Tax Sharing Agreement — We entered into a tax sharing agreement with Hill-Rom that generally governs Hill-Rom's and our respective rights, responsibilities, and obligations with respect to taxes, including ordinary course of business taxes and taxes, if any, incurred as a result of any failure of the Distribution to qualify as a tax-free distribution. Under the tax sharing agreement, with certain exceptions, we are generally responsible for the payment of all income and non-income taxes attributable to our operations and the operations of our direct and indirect subsidiaries, whether or not such tax liability is reflected on a consolidated or combined tax return filed by Hill-Rom. The tax sharing agreement also imposes restrictions on our and Hill-Rom's ability to engage in certain actions following our separation from Hill-Rom and sets forth the respective obligations among us and Hill-Rom with respect to the filing of tax returns, the administration of tax contests, assistance and cooperation, and other matters. The Company generally will be responsible for 43.7 percent of any taxes that arise from the failure of the Distribution to qualify as a tax-free Distribution for U.S. federal income tax purposes, if such failure is for any reason for which neither the Company nor Hill-Rom is responsible.

Shared Services and Transitional Services Agreements — We entered into shared services agreements and transitional services agreements with Hill-Rom in connection with the separation. The shared services agreements address services that may be provided for an extended period, while the transitional services agreements covers services that are intended to be provided for a limited period while the recipient of the services makes other arrangements for these services. Under the shared services agreements, we and Hill-Rom agree to provide certain services to each other following the separation for an initial term of two years, with automatic two-year extensions if commercially viable alternatives for the services are not available, except as noted below. After the initial two-year term, either party may terminate an agreement by notice to the other party, and the recipient of the services must terminate if commercially viable alternatives for the services are available. For purposes of the foregoing, the determination of whether commercially viable alternatives are available is in the discretion of the recipient of the services. These services include aviation services related to the airfield that Hill-Rom owns and operates and certain aircraft that Hill-Rom and we jointly own and operate following the separation, as well as certain ground transportation and fleet maintenance services. In addition, due to the interrelated nature of certain facilities that are owned by Hill-Rom and us, we entered into agreements requiring Hill-Rom and us to maintain our respective parts of such facilities, including, for example, maintaining fire protection systems for the facilities. In general, the recipient of services is billed for the services at the fair value of the services, except that we will be billed at cost for aviation services provided to us by Hill-Rom, and we and Hill-Rom are independently responsible for our respective obligations to maintain our portions of the interrelated facilities. Hill-Rom continues to provide us aviation services related to the airfield for as long as we continue to own an interest in certain jointly owned or other private aircraft. Ground transportation services can continue as long as Hill-Rom and we continue jointly to own corporate conference facilities used by both companies. Obligations under the agreements relating to the maintenance of interrelated facilities can continue for so long as required for the proper maintenance, operation, and use of such facilities or until such interrelated facilities are segregated. Under the transitional services agreements, Hill-Rom provides certain services to us for a specified period following the separation. The services to be provided may include services regarding certain public company staffing needs, legal services, human resources services, medical services, and certain information technology services. We are generally billed at cost for these services, including information technology services provided through a third party under a contract to which Hill-Rom is a party. The transitional services agreements generally provide that the services will continue for a period of up to two years following the separation, subject to earlier termination by the recipient of the services and to extension if the parties agree.

6. Retirement Benefit and Postretirement Healthcare Plans

Plan Revaluations

In connection with the Distribution, we completed revaluations as of March 31, 2008, of certain retirement benefit plans and postretirement healthcare plan funding obligations where we previously participated with Hill-Rom. As a result of these revaluations the aggregate liabilities associated with these plans increased approximately $9.2 million (primarily resulting from unfavorable plan asset performance since September 30, 2007). This amount was reflected as an increase in accumulated other comprehensive loss, net of tax benefits, as of March 31, 2008. The final legal transfer of the applicable plan assets is not yet completed and there could be some differences between the value of these assets at March 31, 2008, and the value transferred at the transfer date.

Actuarial Assumptions

The weighted average assumptions used in remeasuring our obligations under our defined benefit retirement plans, including those revalued at March 31, 2008, were as follows:

Discount rate for obligation	6.75%
Discount rate for expense	6.5%
Expected rate of return on plan assets	8.0%
Rate of compensation increase	4.0%

The weighted average assumptions used in revaluing our obligation under our postretirement healthcare plan at March 31, 2008, were as follows:

Discount rate for obligation	6.75%
Discount rate for expense	6.25%
Rate of healthcare cost increase, through 2014, 5% thereafter	6.75%

The rates presented above and used in the valuation of our defined benefit retirement plans and postretirement healthcare plans are evaluated annually based on current market conditions, except where required in connection with a plan remeasurement.

Effect on Operations

Our share of the components of net pension costs under defined benefit retirement plans were as follows (dollars in millions):

	Three Months Ended June 30		Nine Months Ended June 30	
	2008	2007	2008	2007
Service cost	$ 0.9	$ 1.1	$ 3.1	$ 3.2
Interest cost	3.1	2.4	8.2	7.2
Expected return on plan assets	(3.3)	(3.1)	(9.1)	(9.1)
Amortization of unrecognized prior service cost, net	0.2	0.3	0.5	0.9
Amortization of net loss	—	0.1	—	0.1
Net pension costs	$ 0.9	$ 0.8	$ 2.7	$ 2.3

The net postretirement healthcare cost recorded during the three months ended June 30, 2008, and 2007 was $0.3 million and $0.3 million, respectively. The net postretirement healthcare cost recorded during the nine months ended June 30, 2008, and 2007 was $1.0 million and $0.9 million, respectively.

7. Income Taxes

The effective tax rates for the three month and nine month periods ended June 30, 2008, were 34.9% and 38.2%, respectively. The tax rates for the same periods ended June 30, 2007, were 36.4% and 36.6%, respectively. The higher effective tax rate for the nine months ended June 30, 2008, is due primarily to non-deductible separation costs we incurred during the three month period ended March 31, 2008.

8. Income Per Common Share

The calculation of basic and diluted net income per share and shares outstanding for the periods presented prior to April 1, 2008, is based on the number of our shares outstanding at March 31, 2008 (plus unissued fully vested common shares). There is no dilutive impact from common stock equivalents for periods prior to April 1, 2008, as we had no dilutive equity awards outstanding. The dilutive effect of our share-based awards issued in connection with the conversion of Hill-Rom awards upon separation and for future Company grants are included in the computation of diluted net income per share in periods subsequent to March 31, 2008. There is no significant difference in basic and diluted net income per share and average common shares outstanding as a result of dilutive equity awards as of June 30, 2008.

9. Stockholders' Equity

The following table provides a summary of the activity within stockholders' equity from September 30, 2007, to June 30, 2008 (amounts in millions):

	Common Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive	Parent Company	
	Shares	Amount	Capital	Earnings	Loss	Investment	Total
September 30, 2007	—	$ —	$ —	$ —	$ (12.6)	$ 193.5	$ 180.9
Adoption of FIN 48 (Note 2)	—	—	—	—	—	(1.8)	(1.8)
Change in parent company investment	—	—	—	—	—	(290.3)	(290.3)
Change in items not recognized as a component of net pension and postretirement healthcare costs	—	—	—	—	(5.4)	—	(5.4)
Change in foreign currency translation adjustment	—	—	—	—	1.1	—	1.1
Change in unrealized gain on derivative instruments	—	—	—	—	0.1	—	0.1
Net income generated prior to separation	—	—	—	—	—	47.3	47.3
Contributions of net assets from parent company	—	—	—	—	3.3	334.6	337.9
Issuance of common stock to shareholders of Hill-Rom	62.4	—	283.3	—	—	(283.3)	—
Change in net unrealized gain on available for sale securities	—	—	—	—	(1.0)	—	(1.0)
Issuance of common stock related to stock awards or options	—	—	0.4	—	—	—	0.4
Stock based compensation expense	—	—	0.5	—	—	—	0.5
Net income generated after separation	—	—	—	26.7	—	—	26.7
Dividends on common stock	—	—	0.1	(11.5)	—	—	(11.4)
June 30, 2008	62.4	$ —	$ 284.3	$ 15.2	$ (14.5)	$ —	$ 285.0

On July 22, 2008, our Board of Directors authorized the Company to repurchase up to $100 million of our outstanding common stock.

10. Stock Based Compensation

In connection with the Distribution, we implemented new stock based compensation plans (including the Stock Incentive Plan, the Board of Directors Deferred Compensation Plan, and the Executive Deferred Compensation Program) and registered 4,785,436 common shares available for issuance under these plans. Hill-Rom share based awards, which included stock options and restricted stock units, held by our employees and certain former employees of Hill-Rom were converted to equivalent share based awards of Hillenbrand, Inc. based on the ratio of the market price of each company's publicly traded common stock at the time of separation. These programs are administered by our Board of Directors and its Compensation and Management Development Committee. As of June 30, 2008, options with respect to 1,943,762 shares are outstanding under these plans. In addition, a total of 260,023 restricted stock units are outstanding and a total of 170,108 common shares have been issued under these plans as of June 30, 2008.

Our primary program is the Stock Incentive Plan, which provides for long-term performance compensation for key employees and members of the Board of Directors. A variety of discretionary awards for employees and non-employee directors are authorized under the plan, including incentive or non-qualified stock options, stock appreciation rights, restricted stock, deferred stock, and bonus stock. The vesting of such awards may be conditioned upon either a specified period of time or the attainment of specific performance goals as determined by the administrator of the plan. The option price and term are also subject to determination by administrator with respect to each grant. Option prices are generally expected to be set at the fair market price of our common stock at date of grant, and option terms are not expected to exceed ten years.

The stock based compensation that was charged against income, net of tax, for all plans was $0.3 million and $0.7 million for the three month periods ended June 30, 2008, and 2007, respectively, and was $3.6 million and $1.4 million for the nine month periods ended June 30, 2008, and 2007, respectively, including the charge previously discussed in Note 5.

Stock Options

On March 14, 2008, the Board of Directors of Hill-Rom approved a modification to the stock option plan that would automatically make participants whole in connection with the separation. In accordance with SFAS No. 123(R) "Share-Based Payment," a charge of $1.1 million was recorded at the time of modification related to our employees. As of June 30, 2008, there was approximately $2.3 million of unrecognized stock based compensation associated with our unvested stock options expected to be recognized over a weighted average period of 1.2 years.

The following tables provide a summary of outstanding stock option awards from September 30, 2007, to June 30, 2008, previously exercisable into Hill-Rom's common stock, now exercisable into our common stock:

Options in Hill-Rom Holdings, Inc. common stock	**Number of Shares**	**Weighted Average Exercise Price**
Outstanding at September 30, 2007	692,422	$ 51.81
Granted	165,360	53.86
Exercised	(17,767)	52.11
Canceled or no longer associated with our operations	(90,300)	46.46
Converted into Hillenbrand awards at March 31, 2008	(749,715)	52.81
Outstanding at June 30, 2008	—	$ —

Options in Hillenbrand, Inc. common stock	**Number of Shares**	**Weighted Average Exercise Price**
Outstanding at September 30, 2007	—	$ —
Converted from Hill-Rom awards related to our employees at March 31, 2008	1,631,389	24.27
Converted from Hill-Rom awards related to former Hill-Rom employees at March 31, 2008	485,349	22.93
Granted	515,139	21.12
Exercised	(30,000)	16.69
Expired or canceled	(658,115)	22.67
Outstanding at June 30, 2008	1,943,762	$ 23.76
Exercisable at June 30, 2008	1,192,043	$ 23.46

As of June 30, 2008, the average remaining life of the outstanding stock options was 6.1 years with an aggregate intrinsic value of $0.8 million.

Restricted Stock Units (RSUs)

In connection with our separation from Hill-Rom, 100,274 previously granted RSUs in Hill-Rom stock became fully vested upon separation in accordance with their terms. The remaining unrecorded compensation expense associated with these previously unvested RSUs of $3.2 million was accelerated and charged to expense at March 31, 2008. As of June 30, 2008, there was approximately $2.9 million of unrecognized stock based compensation associated with our unvested RSUs expected to be recognized over a weighted average period of 4.6 years.

The following tables provide a summary of RSU transactions from September 30, 2007, to June 30, 2008, previously in Hill-Rom common stock, now in our common stock:

Restricted Stock Units in Hill-Rom Holdings, Inc. common stock	Number of Share Units	Weighted Average Grant Date Fair Value
Nonvested RSUs at September 30, 2007	134,756	55.01
Granted	40,400	53.91
Vested	(120,225)	54.69
Canceled or no longer associated with our operations	(14,531)	50.25
Converted into Hillenbrand awards at March 31, 2008	(40,400)	53.91
Nonvested RSUs at June 30, 2008	—	$ —

Restricted Stock Units in Hillenbrand, Inc. common stock	Number of Share Units	Weighted Average Grant Date Fair Value
Nonvested RSUs at September 30, 2007	—	$ —
Converted from Hill-Rom awards at March 31, 2008	87,911	24.74
Granted	54,213	19.77
Vested	(3,600)	18.62
Canceled	(544)	24.84
Nonvested RSUs at June 30, 2008	137,980	$ 22.95

As of June 30, 2008, the outstanding RSUs had an aggregate intrinsic value of $3.0 million. Dividends payable in stock accrue on the grants and are subject to the same specified terms as the original grants. As of June 30, 2008, a total of 2,036 stock units had accumulated on nonvested RSUs due to dividend reinvestments and are excluded from the tables above.

Performance Based Stock Award

During 2007, Hill-Rom granted a performance based stock award to our CEO, which included performance based RSUs. The aggregate fair value of these RSUs was approximately $470,000 on the original date of grant. This award was converted into 16,755 RSUs in our stock on March 31, 2008 (not included in the table above). Vesting of the award is contingent upon achievement of certain one, two, and three-year performance targets and corresponding service requirements. As such, compensation expense, based on the estimated achievement of performance and service requirements, is recognized over the performance period through September 30, 2009. To date, no compensation cost has been recognized in connection with this award.

Vested Deferred Stock

Hill-Rom has historically had various other stock-based compensation programs, which like the current RSU program, allowed deferrals after vesting to be set-up as deferred stock. Upon separation, vested deferred shares in our common stock were issued to the holders of vested deferred shares in Hill-Rom common stock in connection with the Distribution. As of June 30, 2008, there were 103,252 of our shares that had been deferred, fully vested and payable in our common stock under the RSU and other stock-based compensation programs (not included in the table above).

11. Commitments and Contingencies

Antitrust Litigation

On May 2, 2005, a non-profit entity called Funeral Consumers Alliance, Inc. ("FCA") and several individual consumers filed a purported class action antitrust lawsuit ("FCA Action") against three national funeral home businesses, Service Corporation International ("SCI"), Alderwoods Group, Inc. ("Alderwoods"), and Stewart Enterprises, Inc. ("Stewart"), together with Hill-Rom and our subsidiary Batesville Casket Company, Inc. ("Batesville"), in the United States District Court for the Northern District of California. This lawsuit alleged a conspiracy to suppress competition in an alleged market for the sale of caskets through a group boycott of so-called "independent casket discounters," that is, third-party casket sellers unaffiliated with licensed funeral homes; a campaign of disparagement against these independent casket discounters; and concerted efforts to restrict casket price competition and to coordinate and fix casket pricing, all in violation of federal antitrust law and California's Unfair Competition Law. The lawsuit claimed, among other things, that Batesville's maintenance and enforcement of, and alleged modifications to, its longstanding policy of selling caskets only to licensed funeral homes were the product of a conspiracy among Batesville, the other defendants and others to exclude "independent casket discounters" and that this alleged conspiracy, combined with other alleged matters, suppressed competition in the alleged market for caskets and led consumers to pay higher than competitive prices for caskets. The FCA Action alleged that two of Batesville's competitors, York Group, Inc. and Aurora Casket Company, are co-conspirators, but did not name them as defendants. The FCA Action also alleged that SCI, Alderwoods, Stewart and other unnamed co-conspirators conspired to monopolize the alleged market for the sale of caskets in the United States.

After the FCA Action was filed, several more purported class action lawsuits on behalf of consumers were filed based on essentially the same factual allegations and alleging violations of federal antitrust law and/or related state law claims. It is not unusual to have multiple copycat class action suits filed after an initial filing, and it is possible that additional suits based on the same or similar allegations will be brought against Hill-Rom and Batesville.

Batesville, Hill-Rom and the other defendants filed motions to dismiss the FCA Action and a motion to transfer to a more convenient forum. In response, the court in California permitted the plaintiffs to replead the complaint and later granted defendants' motion to transfer the action to the United States District Court for the Southern District of Texas (Houston, Texas) ("Court").

On October 12, 2005, the FCA plaintiffs filed an amended complaint consolidating all but one of the other purported consumer class actions in the Court. The amended FCA complaint contains substantially the same basic allegations as the original FCA complaint. The only other then-remaining purported consumer class action, Fancher v. SCI et al., was subsequently dismissed voluntarily by the plaintiff after the defendants filed a motion to dismiss. On October 26, 2006, however, a new purported class action was filed by the estates of Dale Van Coley and Joye Katherine Coley, Candace D. Robinson, Personal Representative, consumer plaintiffs, against Batesville and Hill-Rom in the Western District of Oklahoma alleging violation of the antitrust laws in fourteen states based on allegations that Batesville engaged in conduct designed to foreclose competition and gain a monopoly position in the market. This lawsuit was largely based on similar factual allegations to the FCA Action. Batesville and Hill-Rom had this case transferred to the Southern District of Texas in order to coordinate this action with the FCA Action and filed a motion to dismiss this action. On September 17, 2007, the Court granted Batesville's and Hill-Rom's motion to dismiss and ordered the action dismissed with prejudice.

The FCA plaintiffs are seeking certification of a class that includes all United States consumers who purchased Batesville caskets from any of the funeral home co-defendants at any time during the fullest period permitted by the applicable statute of limitations.

On October 18, 2006, the Court denied the defendants' November 2005 motions to dismiss the amended FCA complaint.

In addition to the consumer lawsuits discussed above, on July 8, 2005, Pioneer Valley Casket Co. ("Pioneer Valley"), an alleged casket store and Internet retailer, also filed a purported class action lawsuit ("Pioneer Valley Action") against Batesville, Hill-Rom, SCI, Alderwoods, and Stewart in California District Court on behalf of the class of "independent casket distributors," alleging violations of state and federal antitrust law and state unfair and deceptive practices laws based on essentially the same factual allegations as in the consumer cases. Pioneer Valley claimed that it and other independent casket distributors were injured by the defendants' alleged conspiracy to boycott and suppress competition in the alleged market for caskets, and by an alleged conspiracy among SCI, Alderwoods, Stewart and other unnamed co-conspirators to monopolize the alleged market for caskets.

Plaintiff Pioneer Valley seeks certification of a class of all independent casket distributors in the United States who are or were in business at any time from July 8, 2001 to the present. Excluded from this class are independent casket distributors that: (1) are affiliated in any way with any funeral home; (2) manufacture caskets; or (3) are defendants or their directors, officers, agents, employees, parents, subsidiaries and affiliates.

The Pioneer Valley complaint was also transferred to the Southern District of Texas but was not consolidated with the FCA Action, although the scheduling orders for both cases are identical. On October 21, 2005, Pioneer Valley filed an amended complaint adding three new plaintiffs, each of whom purports to be a current or former "independent casket distributor." Like Pioneer Valley's original complaint, the amended complaint alleges violations of federal antitrust laws, but it has dropped the causes of actions for alleged price fixing, conspiracy to monopolize, and violations of state antitrust laws and state unfair and deceptive practices laws. On October 25, 2006, the district court denied the defendants' December 2005 motions to dismiss the amended Pioneer Valley complaint.

Class certification hearings in the FCA Action and the Pioneer Valley Action were held in early December 2006. Post-hearing briefing on the plaintiffs' class certification motions in both cases was completed in March 2007, though briefing on certain supplemental evidence related to class certification in the FCA Action also occurred in September 2007 and October 2007. The Court has not yet ruled on the motions for class certification. On August 27, 2007, the Court suspended all pending deadlines in both cases, including the previously set February 2008 trial date. The Court since reset a docket call in both the FCA and Pioneer Valley Actions for September 8, 2008. A docket call is typically a status conference with the Court to set a trial date. It is anticipated that new deadlines, including a trial date, will not be set until sometime after the Court has ruled on the motions for class certification.

Plaintiffs in the FCA and Pioneer Valley Actions generally seek monetary damages, trebling of any such damages that may be awarded, recovery of attorneys' fees and costs, and injunctive relief. The plaintiffs in the FCA Action filed a report indicating that they are seeking damages ranging from approximately $947.0 million to approximately $1.46 billion before trebling. Additionally, the Pioneer Valley plaintiffs filed a report indicating that they are seeking damages of approximately $99.2 million before trebling. Because Batesville continues to adhere to its long-standing policy of selling Batesville® caskets only to licensed funeral homes, a policy that it continues to believe is appropriate and lawful, if the case goes to trial the plaintiffs are likely to claim additional alleged damages for periods between their reports and the time of trial. At this point, it is not possible to estimate the amount of any additional alleged damage claims that they may make. The defendants are vigorously contesting both liability and the plaintiffs' damages theories.

If a class is certified in any of the antitrust cases filed against Hill-Rom and Batesville and if the plaintiffs in any such case prevail at trial, the damages awarded to the plaintiffs, which would be trebled as a matter of law, could have a significant material adverse effect on our results of operations, financial condition and/or liquidity. In antitrust actions such as the FCA and Pioneer Valley Actions the plaintiffs may elect to enforce any judgment against any or all of the codefendants, who have no statutory contribution rights against each other. We and Hill-Rom have entered into a judgment sharing agreement that apportions the costs and any potential liabilities associated with this litigation between us and Hill-Rom. See Note 5 for a description of the judgment sharing agreement.

We believe that we have committed no wrongdoing as alleged by the plaintiffs and that we have meritorious defenses to class certification and to plaintiffs' underlying allegations and damage theories. In accordance with applicable accounting standards, we have not established a loss reserve for any of these cases.

After the FCA Action was filed, in the summer and fall of 2005, Batesville and Hill-Rom were served with Civil Investigative Demands by the Attorney General of Maryland and certain other state attorneys general who had begun an investigation of possible anticompetitive practices in the death care industry relating to a range of funeral services and products, including caskets. We have been informed that approximately 26 state attorneys general offices are participating in the joint investigation, although more could join. We are cooperating with the attorneys general. To date, no claims have been filed against Batesville or Hill-Rom. We are obligated to indemnify Hill-Rom against any costs, expenses, and liabilities resulting from this investigation.

Other Pending Litigation Matter

On August 17, 2007, a lawsuit styled Vertie Staples v. Batesville Casket Company, Inc. was filed against us in the United States District Court for the Eastern District of Arkansas. The case is a putative class action on behalf of the plaintiff and all others who purchased a Monoseal® casket manufactured by Batesville from a licensed funeral home located in Arkansas from January 1, 1989 to the present. The complaint alleges that the warranties on which the claims are predicated date from 1989 to 2002. The plaintiff claims that Monoseal® caskets were marketed as completely resistant to the entrance of air and water when they allegedly were not completely resistant. The plaintiff asserts causes of action under the Arkansas Deceptive Trade Practices Act and for fraud, constructive fraud and breach of express and implied warranties. On January 9, 2008, the plaintiff filed an amended complaint that added another putative class plaintiff, restated the pending claims, and added a claim for unjust enrichment. The claims of the original plaintiff were subsequently dismissed by the Court and the case is now styled Garry Clayton v. Batesville Casket Company, Inc. In order to establish federal jurisdiction over the claims under the Class Action Fairness Act, the plaintiff alleges that the amount in controversy exceeds $5.0 million.

This action is in the very early stages of litigation, and as such, we are not yet able to assess the potential outcome of this matter. We believe the claims are without merit and will vigorously defend the case. It is not unusual to have multiple copycat class actions suits filed after an initial filing, and it is possible that additional suits based on the same or similar allegations could be brought against us.

General

We are subject to various other claims and contingencies arising out of the normal course of business, including those relating to governmental investigations and proceedings, commercial transactions, product liability, employee related matters, antitrust, safety, health, taxes, environmental, and other matters. Litigation is subject to many uncertainties and the outcome of individual litigated matters is not predictable with assurance. It is possible that some litigation matters for which reserves have not been established could be decided unfavorably to us and that any such unfavorable decisions could have a material adverse effect on our financial condition, results of operations, and cash flows.

We are also involved in other possible claims and are generally self-insured up to certain limits for product/general liability, workers' compensation, auto liability, and professional liability insurance programs, as well as certain employee health benefits including medical, drug, and dental. These policies have deductibles and self-insured retentions ranging from $150 thousand to $0.5 million per occurrence, depending upon the type of coverage and policy period. Our policy is to estimate and establish reserves based upon a number of factors including known claims, estimated incurred but not reported claims, and outside actuarial analysis, which are based on historical information along with certain assumptions about future events.

12. Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

With the exception of our auction rate securities discussed in Note 2, the carrying amounts of current assets and liabilities approximate fair value because of the short maturity of those instruments.

The carrying amounts of the private equity limited partnerships included as a component of investments within our consolidated balance sheet was $22.3 million at June 30, 2008. The fair value of equity method investments is not readily available and disclosure is not required.

Using a discount rate that approximates the current rate of comparable securities and a methodology consistent with that used to calculate the original discount recognized with respect to the original financing, the fair value of the note receivable from Forethought Financial Group, Inc. approximates its carrying value at June 30, 2008. An increase or decrease of 1% in the discount rate utilized to estimate the fair value of the note (including interest receivable) would indicate a change in fair value of approximately $6 million.

The carrying value of our revolving credit facility approximates fair value. The fair value of our debt is estimated based on the quoted market prices for similar issues on or the current rates offered to us for debt on the same remaining maturities.

We estimate the fair value of derivative financial instruments based on the amount that we would receive or pay to terminate the agreements at the reporting date. The contract amount and fair value of our cash flow currency derivative instruments outstanding were $14.6 million and $0.3 million, respectively, at June 30, 2008. Gains and losses on these derivative contracts offset losses and gains on the assets, liabilities, and transactions being hedged. As derivative contracts are initiated, we designate the instruments individually as either a fair value hedge or a cash flow hedge. Management reviews the correlation and effectiveness of our derivatives on a quarterly basis.

13. Comprehensive Income and Accumulated Other Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," requires the net-of-tax effect of unrealized gains or losses on available-for-sale securities, foreign currency translation adjustments, changes in items not recognized as a component of net pension and postretirement healthcare costs, and unrealized gains or losses on derivative instruments to be included in comprehensive income.

The components of comprehensive income, each net of tax, are as follows (dollars in millions):

	Three Months Ended June 30		Nine Months Ended June 30	
	2008	2007	2008	2007
Net income	$ 26.7	$ 21.5	$ 74.0	$ 80.9
Foreign currency translation adjustment	0.5	0.1	1.1	0.6
Changes in net unrealized gain on available-for-sale securities	(1.0)	—	(1.0)	—
Changes in unrealized gain on derivative instruments	—	—	0.1	—
Changes in items not recognized as a components of net pension and post- retirement healthcare costs	0.3	—	(5.4)	—
Comprehensive income	$ 26.5	$ 21.6	$ 68.8	$ 81.5

The components of accumulated other comprehensive loss each net of tax, were as follows (dollars in millions):

	June 30 2008	September 30 2007
Foreign currency translation adjustment	$ (1.5)	$ (2.6)
Net unrealized gain on available-for-sale securities	2.3	—
Net unrealized gain on derivative instruments	0.1	—
Item not recognized as a component of net pension and postretirement healthcare costs	(15.4)	(10.0)
Accumulated other comprehensive loss	$ (14.5)	$ (12.6)

14. Investment Income and Other

The components of investment income and other are as follows (dollars in millions):

	Three Months Ended June 30		Nine Months Ended June 30	
	2008	2007	2008	2007
Interest income	$ 3.9	$ 0.3	$ 4.4	$ 0.8
Equity in earnings of affiliates	0.4	—	0.4	—
Foreign currency exchange gains or (losses)	0.1	0.9	(0.9)	0.1
Other, net	—	(0.2)	—	0.1
Investment income and other	$ 4.4	$ 1.0	$ 3.9	$ 1.0

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements and Factors That May Affect Future Results

Throughout this Form 10-Q 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 our future plans, objectives, beliefs, and expectations that might or might not happen in the future, as contrasted with historical information. Our forward-looking statements are based on assumptions that we believe are reasonable, but by their very nature they are subject to a wide range of risks.

Accordingly, in this Form 10-Q, we may say something like,

"We anticipate that the burial rate will be flat to slightly declining in future years."

That is a forward-looking statement, as indicated by the word "anticipate" and by the clear meaning of the sentence.

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

intend	believe	plan	expect	may	goal
become	pursue	estimate	will	forecast	continue
promise	increase	higher/lower	improve	progress	potential

This isn't an exhaustive list but is simply intended to give you an idea of how we try to 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 those 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 our Information Statement dated March 17, 2008 (the "Information Statement"), filed as Exhibit 99.1 to our Current Report on Form 8-K, which was filed on March 18, 2008, with the U.S. Securities and Exchange Commission ("SEC"). We assume no obligation to update or revise any forward looking statements. You should also refer to the various disclosures made by us in our reports on Form 8-K filed with the SEC.

Overview

In this section of the Form 10-Q, entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," we attempt to give you a look at our Company "through the eyes of management" so that you can assess the financial condition and results of operations of our Company. The discussion that follows should give you information that will help you understand our business and its performance. We intend for the discussion to be clear and to explain the drivers of our results so that you can assess the quality of our earnings and the predictability of our future results.

After the close of business on March 31, 2008, we became a separate publicly traded company as the result of the distribution of our shares to the stockholders of Hill-Rom Holdings, Inc. ("Hill-Rom"), previously our parent company. We have retained the Hillenbrand name because of its heritage as a family-built business and the close affiliation with Batesville and its customers. Reported below are our results for the third quarter of our 2008 fiscal year.

The following discussion and analysis of our financial condition and operating results will include Hillenbrand and Batesville, currently Hillenbrand's only operating business. We are a leader in the North American death care industry through the manufacture, distribution, and sale of funeral service products to licensed funeral directors who operate licensed funeral homes. We sell primarily burial caskets, but also provide cremation caskets, containers and urns, and selection room display fixturing for funeral establishments. Our mission is to provide funeral directors with the highest quality products and services; in a phrase, "helping families honor the lives of those they love."® In line with our mission, we provide personalization and memorialization products and services, including creating and hosting websites for funeral establishments.

You should review our results together with the information reported in our Registration Statement on Form 10, as amended ("Form 10"), and the Information Statement. Consistent with SEC rules, this Form 10-Q includes primarily updates arising since our Form 10 and Information Statement and does not include all of the base information required to fully understand our business and results without the Form 10 and Information Statement. You will notice that we are referred to as "New Hillenbrand" in the previously filed Form 10 and Information Statement.

Strategy, Performance, and Results

Strategy In our Form 10, we described the demographic and consumer preference trends that have driven a slow but steady decline in the number of casketed deaths in North America. Over the past several years it has been our practice to increase prices to offset the effects of inflation on our major cost elements. We are executing on key strategic initiatives to grow organic revenue and operating income prior to considering separation costs and the additional corporate costs associated with operating as a stand-alone company.

Performance on Strategic Initiatives

- Our sales force continues to implement proprietary merchandising systems with the independent customer base, helping our customers provide improved casket assortments and more information to their client families. As a result, customers who have implemented our merchandising systems have seen increases in their revenue and we have seen corresponding increases in our revenue.

- We achieved growth with the regional funeral home consolidators. We have added sales coverage in those areas of greatest opportunity and continue to grow our sales in this customer group.

- Our Options® by Batesville marketing team has made progress towards its growth objectives in the cremation side of our business. The team is in place and developing initiatives designed to grow our Options® revenue in excess of market growth.

- While sales of our NorthStar® products have been relatively flat over the past nine months when compared to the same period in fiscal 2007, we recently enhanced our product offering by making mix and match products more readily available for distributors, a channel we entered in 2005. This product line is uniquely different from the Batesville product line and does not contain any proprietary Batesville features. NorthStar® provides an opportunity to expand our sales to the distributor market, a segment in which we had previously not participated.

Recent Factors Impacting our Business

The following is a brief update on recent developments that have occurred since the filing of the Form 10.

- During the winter months earlier this year, the number of deaths due to pneumonia and influenza consistently exceeded the Center for Disease Control's epidemic threshold, indicating a more virulent flu season than in the past few years. This increase in demand favorably impacted our reported results for the second quarter of 2008. This was followed by the seasonal slow down we traditionally experience in the third quarter of the fiscal year. Burial unit demand during the third quarter of fiscal 2008 was lower than experienced in the third quarter of fiscal year 2007.

- We continue to experience cost increases, surcharges, and increased distribution costs on a variety of raw material purchases, contributing approximately $5 million in increased costs over the past nine months when compared to the same time last year. We are also experiencing increasing prices for the diesel fuel that we use to move our caskets from the manufacturing facilities to customers' funeral homes. Fuel prices have increased our distribution costs approximately $3 million over the past nine months when compared to the same period last year. We do not anticipate these cost pressures to abate in fiscal 2008 and, in fact, we anticipate them to increase, particularly for steel and red metals, which could be significant. We have not experienced a full year impact of these cost increases because we buy steel and other commodities under contract. As these contracts are renegotiated, we are experiencing further increases. We will continue to execute continuous improvement initiatives in an attempt to offset the effects of these and other cost pressures.

- We successfully completed the separation from Hill-Rom. In doing this, we incurred or were allocated an additional $0.1 million and $14.2 million of non-recurring separation costs during the three and nine months ended June 30, 2008, respectively. We expect the remaining separation costs that we will incur over the balance of the fiscal year to be less than $1 million.

- For the three and nine month periods ended June 30, 2008, we were allocated $0 and $7.4 million of corporate costs, respectively, from Hill-Rom. We also incurred directly incremental corporate costs of approximately $3.9 and $5.4 million during the three and nine months ended June 30, 2008, respectively. These costs relate to establishing functions such as tax, accounting, legal, internal audit, human resources, risk management, shared information technology systems, procurement and other statutory functions, including a board of directors. We currently expect the level of these costs to increase over the balance of the fiscal year. We expect the annual level of these stand-alone company costs to be $17 million to $19 million in fiscal 2009.

Consolidated Results of Operations

In this section, we will provide an analysis of the significant items impacting our Company's results. The following tables and adjacent discussions summarize our consolidated financial results for both the quarter and year to date.

Three Months Ended June 30, 2008, Compared to Three Months Ended June 30, 2007
(Dollars in millions)

	Three Months Ended June 30 2008	% of Revenues	Three Months Ended June 30 2007	% of Revenues
Net revenues	$ 165.0	100.0	$ 165.6	100.0
Cost of goods sold	98.6	59.8	98.7	59.6
Gross profit	66.4	40.2	66.9	40.4
Operating expenses (excluding separation costs)	28.3	17.2	34.1	20.6
Separation costs	0.1	—	—	—
Operating profit	38.0	23.0	32.8	19.8
Interest expense	(1.4)	(0.8)	—	—
Investment income and other	4.4	2.7	1.0	0.6
Income before income taxes	41.0	24.9	33.8	20.4
Income tax expense	14.3	8.7	12.3	7.4
Net income	$ 26.7	16.2	$ 21.5	13.0

Our net revenues for the quarter were essentially flat, decreasing 0.4% from the same quarter last year. Burial unit volume decreased 2.8% compared to the same quarter last year, which was the primary contributor to a reduction in revenue of $2.2 million. This volume decrease was largely due to the fact that we terminated a supply agreement with Yorktowne when the planned acquisition of that business was discontinued late in the third quarter of last fiscal year, along with the continuing decline in the number of casketed deaths. We continue to experience the unfavorable impact of downward product mix, which further reduced revenues from the prior year comparable period by $2.7 million. While we believe that our merchandising initiative is helping to slow this trend, our focus on capitalizing on growth opportunities in the lower end of the product spectrum will continue to put downward pressure on product mix. Similar to what occurred in recent quarters, we also continue to experience the favorable effects of price realization, which increased revenue by $3.4 million over the prior comparable period. We expect the trends in both product mix and price realization will continue to contribute offsetting effects for the balance of the fiscal year, although we can't be certain of the magnitude of those effects. We anticipate favorable price realization to continue into fiscal 2009 in connection with our annual pricing adjustments that go into effect in October 2008. Finally, we also experienced the favorable impact of currency fluctuations in the quarter from a weaker U.S. dollar, mainly compared to the Canadian dollar. This resulted in increased revenue of $1.0 million over the prior year comparable period. We can't predict how currency rates will move either to help or hurt our results in the future.

Our cost of goods sold decreased $0.1 million, including a $0.7 million decrease largely attributable to lower burial unit volume. In our manufacturing operations, we experienced cost increases over the prior year comparable period of $1.8 million related primarily to higher commodity costs. These cost increases were offset by productivity cost improvements and improved material usage aggregating to $2.9 million. In our distribution operations, we experienced increased fuel costs of $1.2 million. An aggregate increase of $0.4 million in costs is attributable to other categories across our manufacturing and distribution activities.

Our operating expenses decreased over the prior year comparable period by 16.7%. This was primarily attributable to acquisition costs and certain receivables that we expensed totaling $6.8 million when we discontinued our attempt to acquire Yorktowne last year. We also experienced a decrease in legal fees related to the outstanding antitrust lawsuits. These legal costs decreased $0.9 million from the prior year comparable period as we continue to await the Court's ruling on class certification. These favorable effects were offset by increased incentive compensation, sales compensation and benefits, and healthcare and self-insurance costs, all aggregating to $1.9 million. An aggregate decrease of $0.1 million in costs is attributable to other components of our operating expenses categories.

Over the past two quarters we have been building our own teams and processes to support ourselves as a new, stand-alone public company. These efforts resulted in $3.9 million of additional costs, primarily related to adding staff to support our separate company operations. The effect of these new costs was offset by the fact that beginning with the third quarter of fiscal 2008, we are no longer being allocated corporate costs by our former parent company. These allocated costs were $3.8 million in the prior year comparable period.

We began to incur interest expense when we borrowed $250 million on our credit facility (and paid the proceeds to our former parent company as part of the separation) at the end of the second quarter. We have been paying the balance down since that time. "Investment income and other" is up over the prior year comparable period as we began to realize returns from investments that were transferred to us on March 31, 2008, in connection with the separation. We earned interest income primarily on cash, auction rate securities, and the note receivable from Forethought Financial Group of $3.9 million, in aggregate. In addition, our investments in private equity limited partnerships generated $0.4 million of equity earnings from these affiliates during the quarter.

Our income tax rate this quarter was slightly lower than in the prior year comparable period. This was primarily due to an increase in the Internal Revenue Code section 199 manufacturing deduction for fiscal 2008.

Nine Months Ended June 30, 2008, Compared to Nine Months Ended June 30, 2007
(Dollars in millions)

	Nine Months Ended June 30 2008	% of Revenues	Nine Months Ended June 30 2007	% of Revenues
Net revenues	$ 519.3	100.0	$ 509.0	100.0
Cost of goods sold	302.8	58.3	293.3	57.6
Gross profit	216.5	41.7	215.7	42.4
Operating expenses (excluding separation costs)	85.0	16.4	89.0	17.5
Separation costs	14.2	2.7	—	—
Operating profit	117.3	22.6	126.7	24.9
Interest expense	(1.4)	(0.3)	—	—
Investment income and other	3.9	0.8	1.0	0.2
Income before income taxes	119.8	23.1	127.7	25.1
Income tax expense	45.8	8.9	46.8	9.2
Net income	$ 74.0	14.2	$ 80.9	15.9

Our net revenues for the past nine months increased 2.0% from the same nine months last year. Price realization contributed $16.1 million to this increase, but this favorable effect was offset by the unfavorable effects of both a decrease in unit volume and downward product mix. A burial unit volume decrease of 1.1% over the prior year comparable period was the primary contributor to a decrease in revenue of $2.1 million. While our second quarter demand had been favorable due in part to a more typical flu season, this was more than offset by the lost Yorktowne volume in the third quarter and the decreased demand we experienced earlier in the first quarter in contrast to the prior year comparable period. The continuing decline in the number of casketed deaths is also a contributing factor. We also continue to experience the unfavorable impact of downward product mix, which further reduced revenues by $7.6 million. Finally, we experienced the favorable impact of currency fluctuations from a weaker U.S. dollar, mainly compared to the Canadian dollar. This resulted in increased revenue of $4.0 million over the prior year comparable period.

Our cost of goods sold increased $9.5 million, including a $0.6 million decrease largely attributable to lower burial unit volume. In our manufacturing operations, we experienced cost increases over the prior year comparable period of $4.7 million related primarily to higher commodity costs. These cost increases were offset by productivity cost improvements and improved material usage aggregating to $3.3 million. In our distribution operations, we experienced increased costs of $4.8 million primarily attributable to fuel, personnel and benefits costs, including healthcare. An aggregate increase of $3.9 million in costs was attributable to other categories across our manufacturing and distribution activities.

Our operating expenses decreased $4.0 million or 4.5%, over the prior year comparable period, when separation costs are excluded. By excluding separation costs, we are able to better analyze our operating cost structure without the non-recurring effects of the separation. This decrease was primarily attributable to acquisition costs and certain receivables we expensed totaling $6.8 million when we abandoned our attempt to acquire Yorktowne last year. In the last nine months, we recorded a $2.6 million benefit from the collection of a customer receivable that had been previously fully reserved. We also experienced a decrease in legal fees related to the outstanding antitrust lawsuits of $3.2 million. These favorable effects were offset by increased healthcare and self-insurance costs, sales compensation and benefits, and incentive compensation, all aggregating to $5.4 million. A cost increase of $0.4 million is attributable to other components of our operating expenses categories.

As stated in the discussion of quarterly results, our efforts in building a stand-alone company infrastructure resulted in $5.4 million of additional corporate costs. The effect of these new costs was offset by the fact that we are no longer being allocated corporate costs by our former parent company. As a result, these allocated costs decreased by $2.6 million from the prior year comparable period.

In the last nine months we incurred or were allocated $14.2 million in separation costs associated with the recent separation of the Company from our former parent company. Included in these non-recurring costs were $3.2 million tied to the acceleration of unvested stock grants, $1.1 million in stock modification charges, and investment banking and advisory fees of $4.4 million. The balance of the costs represented primarily legal and professional fees.

Interest expense and “investment income and other” are both up as described earlier under our results for the quarter.

Our income tax rate during the last nine months was higher than in the prior year comparable period. This was primarily due to separation costs we incurred in the second quarter that are not deductible for income tax purposes.

Liquidity and Capital Resources

We believe the ability to generate cash is critical to the value of the company. In this section, we tell you about our ability to generate and access cash to meet our business needs.

First, we will describe our actual results in generating and utilizing cash by comparing the last nine months to the same period last year. We will also talk about any significant trends we are seeing to help you understand how this could impact us going forward.

Second, we will tell you about how we see operating, investing, and financing cash flows being affected for the next 12 months. While it’s not a certainty, we will tell you where we think the cash will come from and how we intend to use it. We will also talk about significant risks or possible changes to our thinking that could change our expectation.

Third, we will tell you about other significant matters that could affect our liquidity on an ongoing basis.

Nine Months Ended June 30, 2008, Compared to Nine Months Ended June 30, 2007
(Dollars in millions)

	Nine Months Ended June 30	
	2008	**2007**
Cash Flows Provided By (Used In):		
Operating activities	$ 90.8	$ 99.9
Investing activities	(2.9)	(14.1)
Financing activities	(66.8)	(85.0)
Effect of exchange rate changes on cash	—	0.2
Increase/decrease in cash and cash equivalents	$ 21.1	$ 1.0

Operating Activities

Historically, net cash flows from operating activities have represented our primary source of funds for the growth of our business. Prior to our separation from Hill-Rom, cash flows from operating activities were fairly stable, generally following the pattern of our overall net income. This pattern is now less correlated going forward as we incur non-cash related expenses (such as non-cash stock based compensation), non-cash earnings (such as interest income on our note receivable from Forethought Financial Group, Inc.), and make our own income tax payments now that we are a separate public company. Interim periods can also be more volatile individually as they are affected to a greater degree by the seasonality of our revenues.

The significant items that help explain the change in our operating cash flows in the table above are:

- We incurred or were allocated $14.2 million of separation costs in fiscal 2008, substantially all of which were paid by the end of the period. This unfavorability affected both our profitability and our cash flow. The tax benefit we realized to offset some of this cash cost was limited, as much of this non-recurring cost is non-deductible.

- Our tax expense for the nine months ended June 30, 2008, consisted of a greater degree of deferred income tax, as well as reductions to our current prepaid income taxes. Since both of these are non-cash effects, this resulted in $15.3 million of higher operating cash flow than in the prior year comparable period. This was offset by the fact that we remitted approximately $11.3 million to our former parent company toward our remaining tax liability incurred prior to separation.

Investing Activities

Historically, net cash flows used in investing activities consisted of purchases of plant, property and equipment we use to run the business or to pay for a business acquisition. The primary reduction in our investing activities resulted from the $5.2 million cash outlay related to a business acquisition in fiscal 2007. Additionally, our net investing activities decreased from the prior year comparable period due to lower capital spending of $3.8 million, along with the fact that some of our investments returned capital of $3.3 million in the latest quarter.

Financing Activities

Until the time of our separation into a stand-alone company, our only financing activity was to provide the excess cash we generated to our former parent company as part of a centralized treasury management process. As a separate company, we now have our own treasury management process and have a $400 million revolving credit facility in place to finance business operations. In connection with the separation, we borrowed $250.0 million on the credit facility and used these funds to settle and distribute amounts to our former parent company. This distribution, along with other advances earlier in the year, resulted in net distributions to our parent of $290.3 million. Just prior to the separation, our former parent company transferred $110.0 million in cash to us. A final payment of $15.4 million was received from our former parent company in the third quarter. During our initial quarter as a stand-alone company we utilized available cash on hand and strong operating cash flows to pay down $140.0 million on the credit facility and pay our first cash dividend of $11.4 million.

12 Month Outlook

Operating activities

We incurred $5.4 million of incremental costs associated with establishing our stand-alone company infrastructure during the first nine months of fiscal 2008, of which $3.9 million was incurred in the third quarter. We expect the level of these costs to increase over the balance of the fiscal year. We currently expect the annual level of these costs to be $17 million to $19 million in fiscal 2009. We may also elect to increase our investment in corporate activities beyond these levels depending on evolving business strategies and opportunities. The increase in costs associated with stand-alone company infrastructure is somewhat offset by the fact that we are no longer paying for corporate costs previously allocated to us by Hill-Rom, which were $7.4 million for the first nine months of fiscal 2008, none of which were allocated to us in the third quarter. We also estimate there is less than $1.0 million of final separation costs to be incurred over the balance of the fiscal year.

Although we have not incurred interest expense historically, we borrowed $250.0 million under our revolving credit facility in March 2008 and are now paying interest expense related to this borrowing, the amount of which is dependent upon our actual financing needs and interest rates. Although, we paid down $140.0 million during the three months ended June 30, 2008, interest payments will continue to reduce our operating cash flows and net income as compared to prior periods. On March 31, 2008, we received a combination of cash, auction rate securities, and an investment portfolio as part of the separation. While our "investment income and other" has not historically been significant, we are now earning interest income from greater cash on hand, auction rate securities, and the note receivable from Forethought Financial Group, Inc. We are also recording interest income on the note receivable in the form of additional interest receivable, so we won't realize any cash flow from this investment over the next 12 months. Additionally, the investment income we earn on our private equity limited partnerships comes back to us in cash in an unpredictable manner, depending on when the partnerships make cash distributions.

We had several new receivables and payables on our balance sheet that were transferred to us as a result of the separation. We originally owed Hill-Rom approximately $19.2 million for our portion of our former parent company's income tax liability related to our operations prior to the date of separation. We still owe Hill-Rom $9.1 million as of June 30, 2008, and will likely pay down this balance further by fiscal year end. Conversely, we had a $14.6 million current prepaid income tax balance that we are utilizing to reduce the cash requirements needed for our tax obligation on the taxable income we generate.

Investing activities

At June 30, 2008, we held $52.7 million in a portfolio of auction rate securities (consisting of highly rated state and municipal bonds), classified as available-for-sale securities recorded at fair value. We have estimated the current fair value of the portfolio using information provided by banks with expertise in valuing these securities, considering current liquidity limitations, interest rate risk, and the credit worthiness of the borrower, among other factors. The risk exists that the various valuation models utilized by the banks will not reasonably predict the actual price necessary to attract interested buyers for these securities. As of June 30, 2008, the underlying securities in the portfolio consist of credit worthy borrowers with AAA debt ratings. Recent market conditions and auction failures have adversely impacted the liquidity of these securities. The continuing effect of these conditions has led us to conclude that an orderly conversion of the portfolio into cash will likely take more than 12 months. Accordingly, we are now classifying these securities as non-current. If current market conditions do not improve or worsen, we may not be able to readily convert these securities to cash, and our liquidity and earnings could suffer as a result. We will continue to closely monitor the value of the portfolio and look for opportunities to liquidate at reasonable terms.

Although we may pursue selective acquisition candidates, the timing, size or success of any acquisition effort and the related potential capital commitments cannot be predicted. We expect to fund future acquisitions primarily with cash on hand, cash flows from operations, and borrowings under our revolving credit facility. We could also be called upon by our private equity limited partnership investments to provide additional investment funds, the maximum amount being $4.6 million in aggregate.

Financing activities

We plan on paying a cash dividend each quarter that will require about $11.4 million each quarter based on our outstanding common stock at June 30, 2008. We used cash on hand at June 30, 2008, and cash generated from July operations to pay down the amount outstanding under our credit facility to $85.0 million as of July 31, 2008. We may pay this balance down further depending on our working capital needs and the availability of additional cash generated from operations.

On July 22, 2008, our Board of Directors authorized the Company to repurchase up to $100 million of our outstanding common stock. The amount of repurchase activity will depend on a variety of factors including the level of cash generated from operations, the market price of our stock, and repayments we elect to make on the credit facility.

Summary of 12 month outlook

We believe that cash on hand, cash generated from operations, and cash available under our credit facility will be sufficient to fund operations, working capital needs, capital expenditure requirements, and financing obligations. However, it is important that you understand that if a class is certified in any of the purported class action antitrust lawsuits filed against us, as described in Note 11 of our Financial Statements, and if the plaintiffs prevail at trial, potential damages awarded the plaintiffs could have a material adverse effect thereafter on our results of operations, financial condition, and liquidity and exceed our capacity to raise sufficient cash to fund or post a bond to appeal such a judgment.

Other Liquidity Matters

In March 2008, we established a $400 million five-year revolving credit facility (the "Facility") with a syndicate of banks. The term of the Facility expires in March 2013. Borrowings under the Facility bear interest at variable rates, as defined therein. The availability of borrowings under the Facility is subject to our ability at the time of borrowing to meet certain specified conditions. These conditions include compliance with covenants contained in the credit agreement governing the Facility, absence of default under the Facility and continued accuracy of certain representations and warranties contained in the credit agreement The credit agreement contains covenants that, among other matters, require the Company to maintain a ratio of Consolidated Indebtedness to Consolidated EBITDA (each as defined in the credit agreement) of not more than 3.5:1.0 and a ratio of Consolidated EBITDA to interest expense of not less than 3.5:1.0. The proceeds of the Facility may be used: (i) to consummate the separation from Hill-Rom; (ii) for working capital and other lawful corporate purposes; and (iii) to finance acquisitions.

As of June 30, 2008, we: (i) had $1.8 million outstanding, undrawn letters of credit under the Facility, (ii) were in compliance with all covenants set forth, in the credit agreement and (iii) had complete access to the remaining $288.2 million of borrowing capacity available under the Facility.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Contractual Obligations and Contingent Liabilities and Commitments

In this section we will tell you about the things we have committed to pay. This will help give you an understanding of the significance of cash outlays that are fixed (beyond the normal accounts payable we have already incurred and have on our books), unless we took some action to delay or cancel the need to pay. You will need to review our previously filed Form 10 to get a complete picture.

In connection with the separation, important changes to our contractual obligations and contingent liabilities and commitments were as follows:

- We initially borrowed $250.0 million on our five-year revolving credit facility. We have subsequently paid this down to $110.0 million as of June 30, 2008. We have this classified as "current" as we may choose to pay off the balance over the next 12 months based upon our available cash generated either from operations, auction rate securities, or noncurrent investments.
- We have a commitment to provide investment funds of up to $4.6 million to our private equity limited partnership investments should capital calls be made.

Critical Accounting Policies

In this section we tell you about accounting policies that inherently involve significant judgment on our part.

Our accounting policies require management to make significant estimates and assumptions using information available at the time the estimates are made. Such estimates and assumptions significantly affect various reported amounts of assets, liabilities, revenues and expenses. If future experience differs materially from these estimates and assumptions, our results of operations and financial condition could be affected. A detailed description of our accounting policies is included in the Notes to our Consolidated Financial Statements and the Critical Accounting Policies Section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Form 10.

We adopted additional critical accounting policies related to significant activities or agreements consummated as a result of the Distribution as follows:

Auction Rate Securities

At June 30, 2008, we held $52.7 million in a portfolio of auction rate securities (consisting of highly rated state and municipal bonds) classified as available-for-sale securities and recorded at fair value in accordance with Statement of Financial Accounting Standard ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The historical cost basis of this portfolio has been reduced by net unrealized losses (net of tax) on these available-for-sale securities of $1.0 million, which have been included as a component of accumulated other comprehensive loss. We have estimated the current fair value of the portfolio with information provided by banks with expertise in valuing these securities, considering current liquidity limitations, interest rate risk, and the credit worthiness of the borrower, among other factors. The risk exists that the various valuation models utilized by the banks will not reasonably predict the actual price necessary to attract interested buyers for these securities. As of June 30, 2008, the underlying securities in the portfolio consisted of credit worthy borrowers with AAA debt ratings. Recent market conditions and auction failures have adversely impacted the liquidity of these securities. If current market conditions do not improve or worsen, we may not be able to readily convert these securities to cash, these assets could be impaired, and our liquidity and earnings could be adversely affected. When an investment is sold, we report the difference between the sales proceeds and its carrying value (determined based on specific identification) as a capital gain or loss.

Investments

Our noncurrent investment portfolio consists of investments in private equity limited partnerships, common stock, and a note receivable from Forethought Financial Group, Inc. These investments were transferred to us in connection with the Distribution.

We use the equity method of accounting for substantially all of our private equity limited partnership investments, with earnings or losses reported within the line item "investment income and other" in our consolidated statements of income. Our portion of any unrealized gains or losses related to our investments in the private equity limited partnerships and common stock is charged or credited to "accumulated other comprehensive loss" in shareholders' equity, and deferred taxes are recognized for the income tax effect of any such unrealized gains or losses.

Earnings and carrying values for investments accounted for under the equity method are determined based on financial statements provided by the investment companies.

When an investment is sold, we report the difference between the sales proceeds and carrying value (determined based on specific identification) as a capital gain or loss.

We regularly evaluate all investments, including the note receivable from Forethought Financial Group, Inc., for possible impairment based on current economic conditions, credit loss experience and other criteria. If there is a decline in an investment's net realizable value that is other-than-temporary, the decline is recognized as a realized loss and the cost basis of the investment is reduced to its estimated fair value. The evaluation of investments for impairment requires significant judgments to be made, including (i) the identification of potentially impaired investments; (ii) the determination of their estimated fair value; and (iii) the assessment of whether any decline in estimated fair value is other-than-temporary.

Judgment Sharing Agreement ("JSA")

In March 2008, we entered into a JSA with Hill-Rom related to antitrust litigation matters. We apply SFAS No. 5, "Accounting for Contingencies" in evaluating and accounting for this JSA. The JSA apportions responsibility between us and Hill-Rom for any potential liabilities associated with that litigation. See Note 5 to the financial statements included in Part I, Item 1 of this Form 10-Q.

Recently Issued Accounting Standards

On October 1, 2007, we adopted Financial Accounting Standards Board ("FASB") Interpretation 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), which addresses the accounting and disclosure of uncertain material income tax positions. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The difference between the tax benefit recognized in the financial statements for a position in accordance with FIN 48 and the tax benefit claimed in the tax return is referred to as an unrecognized tax benefit. The adoption of FIN 48, which was reflected as a cumulative effect of a change in accounting principle, resulted in a decrease to beginning parent company equity at October 1, 2007, of $1.8 million.

In September 2006 the FASB issued SFAS No. 157, "Fair Value Measurements." This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. SFAS No. 157 is effective as of the beginning of a company's first fiscal year after November 15, 2007, which will be our first fiscal year 2009. In February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 — Effective Date of FASB Statement No. 157), which delays the effective date of aspects of SFAS No. 157 to fiscal years beginning after November 15, 2008, our fiscal year 2010 and for interim periods within those years. This delay applies to all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis. We are currently evaluating its potential impact to our financial statements and results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which gives entities the option to measure eligible financial assets, and financial liabilities at fair value. Its objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. If opted, the difference between carrying value and fair value at the election date is recorded as a transition adjustment to opening retained earnings. SFAS No. 159 is effective as of the beginning of a company's first fiscal year after November 15, 2007, our fiscal year 2009. We are evaluating the statement and have not yet determined the impact its adoption will have on our combined financial statements.

On December 4, 2007, the FASB issued SFAS No. 141(R), "Business Combinations," and SFAS No. 160, "Noncontrolling interests in Consolidated Financial Statements — an amendment of ARB No. 51." SFAS No. 141(R) changes the accounting for acquisition transaction costs by requiring them to be expensed in the period incurred, and also changes the accounting for contingent consideration, acquired contingencies and restructuring costs related to an acquisition. SFAS No. 160 requires that a noncontrolling (minority) interest in a consolidated subsidiary be displayed in the consolidated balance sheets as a separate component of equity. It also indicates that gains and losses should not be recognized on sales of noncontrolling interests in subsidiaries, but that differences between sale proceeds and the consolidated basis of accounting should be accounted for as charges or credits to consolidated additional paid-in-capital. However, in a sale of a subsidiary's shares that results in the deconsolidation of the subsidiary, a gain or loss would be recognized for the difference between proceeds of that sale and the carrying amount of the interest sold. Also, a new fair value in any remaining noncontrolling ownership interest would be established. Both of these statements are effective for the first annual reporting period beginning on or after December 15, 2008, and early adoption is prohibited. As such, we will adopt the provisions of SFAS No. 141(R) and SFAS No. 160 beginning in our fiscal year 2010.

On March 19, 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133." The objective of SFAS 161 is to have entities provide qualitative disclosures about the objectives and strategies for using derivatives, quantitative data about the fair value of and gains and losses on derivative contracts, and details of credit-risk related contingent features in their hedge positions. The statement also requires entities to disclose more information about the location and amounts of derivative instruments in financial statements. SFAS No. 161 is effective as of the beginning of a company's first fiscal year after November 15, 2008, our fiscal year 2010. We are currently evaluating its potential impact to our financial statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

In this section, we tell you about "market risks" we think could have a significant impact on our bottom line or the financial strength of our company. "Market risks" here generally mean how results of operations and the value of assets and liabilities could be affected by market factors such as interest rates, currency exchange rates, and the value of commodities. If those factors change significantly, it could help or hurt our bottom line, depending on how we react to them.

We are exposed to various market risks, collection risk associated with our accounts and notes receivable portfolio and variability in currency exchange rates. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are subject to variability in foreign currency exchange rates primarily in our Canadian operations. Exposure to this variability is periodically managed primarily through the use of natural hedges, whereby funding obligations and assets are both managed in the local currency. We, from time-to-time, enter into currency exchange agreements to manage our exposure arising from fluctuating exchange rates related to specific transactions. The sensitivity of earnings and cash flows to variability in exchange rates is assessed by applying an appropriate range of potential rate fluctuations to our assets, obligations and projected results of operations denominated in foreign currencies. We operate the program pursuant to documented corporate risk management policies and do not enter into derivative transactions for speculative purposes.

At June 30, 2008, we held $52.7 million in a portfolio of auction rate securities (consisting of highly rated state and municipal bonds), classified as available-for-sale securities and recorded at fair value. The historical cost basis of this portfolio has been reduced net unrealized losses (net of tax) on these available-for-sale securities of $1.0 million, which have been included as a component of accumulated other comprehensive loss. Recent market conditions and auction failures have adversely impacted the immediate liquidity of these securities. If current market conditions do not improve or worsen, we may not be able to readily convert these securities to cash, these assets could be impaired, and our liquidity and earnings could be adversely affected.

We are also subject to volatility in our noncurrent investment portfolio. A portion of the noncurrent investment portfolio includes private equity limited partnerships and common stock with a carrying value of $26.0 million at June 30, 2008. 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 financial condition. In addition, we have an outstanding note receivable and related interest receivable with an aggregate carrying value of $127.4 million from Forethought Financial Group, Inc. as of June 30, 2008, which was transferred to us in connection with the separation. Should Forethought Financial Group, Inc. underperform to an extent that it cannot meet its financial obligations, our earnings could be negatively impacted resulting in a material adverse impact on our financial condition and results of operations.

At June 30, 2008, we had $110.0 million outstanding under our $400 million revolving credit facility. We are subject to interest rate risk associated with our revolving credit facility which bears a variable rate of interest that is based upon the lender's base rate or the LIBOR rate. Accordingly, the interest we pay on our borrowings is dependent on interest rate conditions and the timing of our financing needs. Assuming our borrowings were to remain at $110.0 million for twelve months, a 1% move in the related interest rates would increase or decrease our annual interest expense by approximately $1.1 million.

Our pension plans assets are also subject to volatility that can be caused by fluctuation in general economic conditions. Plan assets are invested by the plans' fiduciaries, which direct investments according to specific policies. Those policies subject investments to the following restrictions: short-term securities must be rated A2/P2 or higher, fixed income securities must have a quality credit rating of "BBB" or higher, and investments in equities in any one company may not exceed 10 percent of the equity portfolio.

Item 4. CONTROLS AND PROCEDURES

Our management, with the participation of our President and Chief Executive Officer and our Senior Vice President and Chief Financial Officer (the "Certifying Officers"), has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based upon that evaluation, the Certifying Officers concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report for the information required to be disclosed in the reports we file or submit under the Exchange Act to be recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

There were changes in our internal controls over financial reporting during the quarter ended June 30, 2008. In connection with our separation into a stand-alone public company, we initiated new business processes governing investments, income taxes, stock based compensation, and actuarially determined obligations related to both employee benefits and business insurance reserves. Additionally, we have established corporate level legal, human resource, and internal audit capabilities. Accordingly, we have implemented new internal controls over financial reporting related to these activities. There were no other changes in our internal control over financial reporting during the three months ended June 30, 2008, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Batesville Antitrust Litigation

Our material legal proceedings are described in detail in Note 11 to our Financial Statements in Part 1, Item 1 of this report. You should read that note carefully to understand the background and current status of those matters. The only change from the description of these matters in the Registration Statement on Form 10 previously filed by us is that in the FCA and Pioneer Valley antitrust matters, the docket call previously set for May 5, 2008, has been reset by the court to September 8, 2008.

As indicated in Note 11 to our Financial Statements, if a class were certified in the FCA or Pioneer Valley action and if the plaintiffs were to prevail at trial, damages that could be awarded, which would be trebled as a matter of law, could have a significant material adverse effect on our results of operations, financial condition, and/or liquidity. We continue to believe that we have committed no wrongdoing as alleged by the plaintiffs and that we have meritorious defenses to class certification and to plaintiffs' underlying allegations and damage theories, which we are asserting vigorously. We have entered into a judgment sharing agreement with Hill-Rom to allocate between us and Hill-Rom any potential liability under the FCA and Pioneer Valley actions and any other actions that are consolidated with those actions. For a description of the judgment sharing agreement, see Note 5 to our Financial Statements in Part I, Item 1 of this report.

Item 1A. RISK FACTORS

For information regarding the risks we face, see the discussion under "Item 1A. Risk Factors" in our Form 10. There have been no material changes to the risk factors described in that report.

Item 6. EXHIBITS

The exhibits filed with this report are listed on the Exhibit Index, which is incorporated herein by reference.

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 thereunto duly authorized.

HILLENBRAND, INC.

DATE: August 12, 2008

BY: /S/ Cynthia L. Lucchese
Cynthia L. Lucchese
Senior Vice President and
Chief Financial Officer

DATE: August 12, 2008

BY: /S/ Theodore S. Haddad, Jr.
Theodore S. Haddad, Jr.
Chief Accounting Officer

Exhibit Index

Exhibit 3.1*	Restated and Amended Articles of Incorporation of Hillenbrand, Inc., effective March 31, 2008
Exhibit 3.2*	Articles of Correction of the Restated and Amended Articles of Incorporation of Hillenbrand, Inc., effective March 31, 2008
Exhibit 10.1*	Employment Agreement dated as of June 15, 2008, between Hillenbrand, Inc. and Joe A. Raver
Exhibit 10.2	Form of Change in Control Agreement between Hillenbrand, Inc. and certain of its executive officers, including Joe A. Raver, (Incorporated by reference to Exhibit 10.9 to Registration Statement on Form 10)
Exhibit 31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith.

Exhibit 3.1

Articles of Restatement and Amendment
of the
Articles of Incorporation
of
Batesville Holdings, Inc.

The undersigned officer of Batesville Holdings, Inc. (hereinafter referred to as the "**Corporation**"), existing pursuant to the provisions of the Indiana Business Corporation Law as amended (hereinafter referred to as the "**Act**"), desiring to give notice of corporate action restating and amending its Articles of Incorporation of the Corporation, certifies the following facts:

Section 1. **Information**. The name of the Corporation is Batesville Holdings, Inc. After the effectiveness of this amendment, the name of the Corporation will be Hillenbrand, Inc. The date of incorporation of the Corporation is November 1, 2007.

Section 2. **Amendments**. The Restated and Amended Articles of Incorporation of Hillenbrand attached hereto as Exhibit A, is hereby adopted as the Articles of Incorporation of the Corporation

Section 3. **Manner of Adoption and Vote**.

(1) **Action by Shareholders**. The Shareholders of the Corporation entitled to vote in respect of the Restatement and Amendment adopted and approved the Restatement and Amendment by a unanimous written consent dated March 14, 2008.

Total number of shares entitled to vote with respect to the Amendment:	100
Total number of shares voted in favor	100
Total number of shares voted against	0

(2) **Compliance with Legal Requirements**. The manner of the adoption of these Articles of Restatement and Amendment and the manner in which they were proposed and approved, constitute full legal compliance with the provisions of the Act, the Articles of Incorporation as previously amended, and the By-Laws of the Corporation.

Section 4. **Effective Date**. This amendment shall become effective 5:01 P.M., Eastern Daylight Time, on March 31, 2008. I hereby affirm, under the penalties for perjury, that all the facts stated above are true.

Batesville Holdings, Inc.
To be known as Hillenbrand, Inc. after the
Effectiveness of this Amendment

By: /S/ John R. Zerkle
John R. Zerkle,
its Senior Vice-President, General Counsel and
Secretary

RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
HILLENBRAND, INC.

ARTICLE 1

Identification

The name of the Corporation is HILLENBRAND, INC.

ARTICLE 2

Purpose and Powers

Section 2.1 Purposes. The purposes for which the Corporation is formed are the transaction of any or all lawful business for which corporations may be incorporated under the Indiana Business Corporation Law, (the "Act") as the same may, from time to time, be amended.

Section 2.2 Powers. The Corporation, subject to any limitations or restrictions imposed by the Act, other law or these Articles of Incorporation (the "Articles"), shall have all powers now or hereafter vested in corporations duly organized and existing under and pursuant to the Act including without limitation any and all powers necessary or convenient to carry out its business and affairs.

ARTICLE 3

Registered Office and Registered Agent

The street address of the registered office of the corporation is:

One Batesville Boulevard
Batesville, Indiana 47006

and the name and business office address of its registered agent are:

John R. Zerkle
One Batesville Boulevard
Batesville, Indiana 47006

ARTICLE 4

Number of Shares

Section 4.1 Authorized Shares. The Corporation shall have authority to issue a total of Two Hundred Million (200,000,000) Shares.

Section 4.2 Forward Stock Split. Without regard to any other provision of these Articles of Incorporation, each share of the capital stock of the Corporation issued and outstanding immediately prior to the time these Amended and Restated Articles becomes effective (the "Forward Split Effective Time") shall be automatically changed and reclassified (without any further act), as of the Forward Split Effective Time, into 622,545.59 fully paid and non-assessable shares of the Corporation's capital stock.

ARTICLE 5

General Provisions Regarding Shares of the Corporation

Section 5.1 Preferred Stock. One Million (1,000,000) of the Shares that the Corporation has authority to issue constitute a separate and single class of Shares known as "Preferred Stock," which may be issued in one or more series. The Board of Directors of the Corporation (the "Board") is vested with authority to determine and state the distinguishing designations and the relative preferences, limitations, voting rights, if any, and other rights of each such series by the adoption and filing in accordance with the Act, before the issuance of any Shares of such series, of an amendment or amendments to these Articles determining the terms of such series (a "Section 5.1 Amendment"). All Shares of Preferred Stock of the same series shall be identical with each other in all respects.

Section 5.2 Common Stock. All of the remaining Shares that the Corporation has authority to issue constitute a separate and single class of Shares known as "Common Stock," which shall be without par value and shall not be issued in series. All Shares of Common Stock shall be identical with each other in all respects.

Section 5.3 Issuance of Shares. The Board has authority to authorize and direct the issuance by the Corporation of Shares of Preferred Stock and Common Stock at such times, in such amounts, to such persons, for such consideration as it shall determine to be adequate, and upon such terms and conditions as it may, from time to time, determine, subject only to the restriction, limitations, conditions and requirements imposed by the Act, other applicable laws and these Articles, as the same may, from time to time, be amended. Upon the receipt by the Corporation of the consideration for which the Board authorized the issuance of Shares of Preferred or Common Stock, such Shares shall be deemed fully paid and nonassessable.

Section 5.4 Distributions Upon Shares. This Board has authority to authorize and direct in respect of the issued and outstanding Shares of Preferred Stock and Common Stock (i) the payment of dividends and the making of other distributions by the Corporation at such times, in such amounts and forms, from such sources and upon such terms and conditions as it may, from time to time, determine upon, subject only to the restrictions, limitations conditions and requirements imposed by the Act, other applicable laws and these Articles, as the same may, from time to time, be amended, and (ii) the making by the Corporation of Share dividends and Share splits, pro rata and without consideration, in Shares of the same class of series or in Shares of any other class or series without obtaining the affirmative vote or the written consent of the holders of the Shares of the class or series in which the payment or distribution is to be made.

Section 5.5 Acquisition of Shares. The Board has authority to authorize and direct the acquisition by the Corporation of the issued and outstanding Shares of Preferred Stock and Common Stock at such times, in such amounts, from such persons, for such considerations, from such sources and upon such terms and conditions as it may, from time to time, determine upon, subject only to the restrictions, limitations, conditions and requirements imposed by the Act, other applicable laws and these Articles, as the same may, from time to time, be amended. Such reacquired shares of the Corporation shall be designated "Treasury Shares" unless specifically cancelled and withdrawn by action of the Board.

ARTICLE 6

Voting Rights of Shares of the Corporation

Section 6.1 Preferred Stock. The holders of a series of shares of Preferred Stock shall have such voting rights, if any, as may have been provided for such class or series in a Section 5.1 Amendment.

Section 6.2 Common Stock. The holders of the Common Stock shall be entitled to one vote per share of Common Stock in the election of Directors of the Corporation and upon each other matter coming before any vote of the holders of the Common Stock. The holders of the Common Stock shall be entitled to exercise all voting rights of the Corporation and to receive the net assets of the Corporation upon dissolution except as otherwise provided in a Section 5.1 Amendment.

ARTICLE 7

Directors

Section 7.1 Number. The number of Directors of the Corporation shall not be less than seven (7), as may be specified in the Code of By-Laws of the Corporation or by amendment to the Code of By-Laws of the Corporation adopted by a majority vote of the Directors then in office. The Directors elected by the Shareholders shall be divided into three (3) classes, each having one-third, or as near to one-third as may be, the total number of Directors, with the term of the office of the first class to expire at the 2009 annual meeting of Shareholders, the term of the office of the second class to expire at the 2010 annual meeting of Shareholders and the term of office of the third class to expire at the 2011 annual meeting of Shareholders. At each annual meeting of Shareholders, Directors elected by the Shareholders to succeed those Directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of Shareholders after their election. Each Director shall hold office until his successor is elected and qualified.

Section 7.2 Vacancies. Except as may be expressly provided by law, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by a majority vote of the Directors then in office, and Directors so chosen shall hold office for a term expiring at the next Annual Meeting of Shareholders.

Section 7.3 Removal. Any Director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the shares of the Corporation entitled to vote generally in the election of Directors, voting together as a single class.

Section 7.4 Quorum. Unless otherwise established by a provision of these Articles of Incorporation or by the Board of Directors by appropriate provisions in the Code of By-Laws, at any meeting of the Board of Directors one-third (1/3) of the duly elected, qualified and acting members of the Board of Directors shall constitute a quorum.

Section 7.5 Amendment, Repeal. Notwithstanding anything contained in these Articles of Incorporation to the contrary, the affirmative vote of the holders of at least two-thirds (2/3) of the voting power of all of the shares of the corporation entitled to vote generally in the election of Directors, voting together as a single class, shall be required to alter, amend or repeal this Article 7.

ARTICLE 8

Provisions for Regulation of Business and Conduct
of Affairs of Corporation

Section 8.1 Action by Shareholders. Meetings of the Shareholders shall be held at such place, within or without the State of Indiana, as may be specified in or fixed in accordance with the By-Laws or in the respective notices, or waivers of notice, thereof. Any action required or permitted to be taken at any meeting of the Shareholders may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all the Shareholders entitled to vote with respect thereto, and such written consent is filed with the minutes of the proceedings of the Shareholders.

Section 8.2 Action by Directors. Meetings of the Board or any committees thereof (collectively, "Committees," and individually, a "Committee") shall be held at such place, within or without the State of Indiana, as may be specified in or fixed in accordance with the By-Laws or in the respective notices, or waivers of notice, thereof and shall be conducted in such manner as may be specified in the By-Laws or permitted by the Act. Any action required or permitted to be taken at any meeting of the Board or a Committee may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all members of the Board or such Committee, and such written consent is filed with the minutes of the proceedings of the Board or such Committee.

Section 8.3 Code of By-Laws. The Board shall have power, without the assent or vote of the Shareholders, to make, alter, amend or repeal the By-Laws, by the affirmative vote of a number of Directors equal to a majority of the number who would constitute a full Board at the time of such action.

Section 8.4 Provisions for Working Capital. The Board shall have the power, from time to time, to fix and determine and to vary the amount to be reserved as working capital of the Corporation and, before the payment of any dividends, it may set aside out of the net profits of the Corporation such sum or sums as it may from time to time in its absolute discretion determine to be proper, whether as a reserve fund to meet contingencies or for the equalizing of dividends, or for repairing or maintaining any property of the Corporation, or for any corporate purposes that the Board shall think conducive to the best interest of the Corporation, subject only to such limitations the By-Laws may from time to time impose.

Section 8.5 Interest of Directors in Contracts. Any contract or other transaction between the Corporation and (i) any Director, or (ii) any Legal Entity (A) in which any Director has a material financial interest or is a general partner, or (B) of which any Director is a director, officer or trustee (collectively, a "Conflict Transaction"), shall be valid for all purposes, if the material facts of the Conflict Transaction and the Director's interest were disclosed or known to the Board, a Committee with authority to act thereon, or the Shareholders entitled to vote thereon, and the Board, such Committee or such Shareholders authorized, approved or ratified the Conflict Transaction. A Conflict Transaction is authorized, approved or ratified:

(1) By the Board or such Committee, if it receives the affirmative vote of a majority of the Directors who have no interest in the Conflict Transaction, notwithstanding the fact that such majority may not constitute a quorum or a majority of the Board or such Committee or a majority of the Directors present at the meeting, and notwithstanding the presence or vote of any Director who does have such an interest; provided, however, that no Conflict Transaction may be authorized, approved or ratified by a single Director; and

(2) By such Shareholders, if it receives the vote of a majority of the Shares entitled to be counted, in which vote Shares owned or voted under the control of any Director who, or of any Legal Entity that, has an interest in the Conflict Transaction may be counted.

This Section shall not be construed to require authorization, ratification or approval by the Shareholders of any Conflict Transaction, or to invalidate any Conflict Transaction that would otherwise be valid under the common and statutory law applicable thereto.

Section 8.6 Indemnification of Directors, Officers and Employees. The Board of Directors may indemnify any person who is or was a director, officer or employee of the Corporation against all liability and reasonable expense incurred by such person on account of or arising out of that person's relationship to the Corporation, provided that such person is determined in the manner specified in Indiana Code Section 23-1-37-12 to have met the standards of conduct specified in Indiana Code Section 23-1-37-8. Upon demand for such indemnification, the Corporation shall proceed as provided in Indiana Code Section 23-1-37-12 to determine whether such person is eligible for indemnification. Nothing contained in this Section shall limit or preclude the exercise of any right relating to the indemnification of or advance of expenses to any director, officer, employee or agent of the Corporation, or the ability of the Corporation to otherwise indemnify or advance expenses to any director, officer, employee or agent.

Section 8.7 Amendments of Articles of Incorporation. Except as otherwise expressly provided in Articles 6 and 8 hereof, and subject to the terms of any outstanding series of Preferred Stock, the Corporation reserves the right to increase or decrease the number of its authorized Shares, or any class or series thereof, and to reclassify the same, and to amend, alter, change or repeal any provision contained in these Articles, or in any amendment hereto, or to add any provision to these Articles or to any amendment hereto, in any manner now or hereafter prescribed or permitted by the Act or by any other applicable laws; and all rights conferred upon the Shareholders in these Articles or any amendment hereto are granted subject to this reservation. No Shareholder has a vested property right resulting from any provision in these Articles, or authorized to be in the By-Laws by the Act or these Articles, including without limitation provisions relating to management, control, capital structure, dividend entitlement, or purpose or duration of the Corporation.

EXHIBIT 3.2

Articles of Correction
of the
Restated and Amended
Articles of Incorporation
of
Hillenbrand, Inc.

In accordance with the requirements of the Indiana Business Corporation Law (the "**Act**"), and pursuant to I.C. 23-1-18-5, the undersigned officer of Hillenbrand, Inc., an Indiana corporation (the "**Corporation**") formerly known as Batesville Holdings, Inc., sets forth the following facts:

On March 31, 2008, the Corporation filed Articles of Restatement and Amendment to its Articles of Incorporation (the "**Amendment**") to effectuate (i) a name change from "Batesville Holdings, Inc." to "Hillenbrand, Inc." (ii) a forward stock split and (iii) a complete restatement and amendment of its Articles of Incorporation.

Section 4.2 of the Restated and Amended Articles of Incorporation contemplated a forward stock split, but contained an error with respect to the number of shares into which each share should be split.

Section 4.2 is deleted and replaced with the following:

Section 4.2 Forward Stock Split. Without regard to any other provision of these Articles of Incorporation, each share of the capital stock of the Corporation issued and outstanding immediately prior to the time these Amended and Restated Articles becomes effective (the "Forward Split Effective Time") shall be automatically changed and reclassified (without any further act), as of the Forward Split Effective Time, into 622,628.11 fully paid and non-assessable shares of the Corporation's capital stock.

In Witness Whereof, the undersigned officer of the Corporation, affirming the foregoing under the penalties of perjury, hereby subscribes his name to these Articles of Correction this 30th day of April, 2008, to be effective as of the original effective time of the Amendment (5:01 P.M. Eastern Daylight Time, March 31, 2008).

Hillenbrand, Inc.

By: /S/ John R. Zerkle
John R. Zerkle,
its Senior Vice-President, General Counsel and Secretary

Exhibit 10.1

EMPLOYMENT AGREEMENT

PREAMBLE

This Employment Agreement defines the essential terms and conditions of our employment relationship with you. The subjects covered in this Agreement are vitally important to you and to the Company. Thus, you should read the document carefully and ask any questions before signing the Agreement. Given the importance of these matters to you and the Company, you are required to sign the Agreement as a condition of employment.

This EMPLOYMENT AGREEMENT, dated and effective this _____ day of June, 2008, is entered into by and between Hillenbrand, Inc. ("Company") and Joe A. Raver ("Employee").

WITNESSETH:

WHEREAS, the Company is engaged in the design, manufacture, promotion and sale of funeral and burial-related products and services throughout the United States and North America including, but not limited to, burial caskets, cremation products and other memorial products.

WHEREAS, the Company is willing to employ Employee in an executive or managerial position at one or more of the Companies (hereafter defined) and Employee desires to be employed by the Company in such capacity or capacities based upon the terms and conditions set forth in this Agreement;

WHEREAS, in the course of the employment contemplated under this Agreement it will be necessary for Employee to acquire and maintain knowledge of certain trade secrets and other confidential and proprietary information regarding the Company as well as any of its parent, subsidiary and/or affiliated entities (hereinafter jointly referred to as the "Companies"); and

WHEREAS, the Company and Employee (individually referred to as a "Party" and collectively referred to as the "Parties") acknowledge and agree that the execution of this Agreement is necessary to memorialize the terms and conditions of their employment relationship as well as to safeguard against the unauthorized disclosure or use of the Company's confidential information and to otherwise preserve the goodwill and ongoing business value of the Company;

NOW THEREFORE, in consideration of Employee's employment, the Company's willingness to disclose certain confidential and proprietary information to Employee and the mutual covenants contained herein as well as other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Employment. As of the effective date of this Agreement, the Company agrees to employ Employee and Employee agrees to serve (a) as the President and Chief Operating Officer of Batesville Casket Company, Inc. and of such other of the Company's operating subsidiaries as shall be determined by the Company from time to time, and (b) in such other offices and positions in the Company and other Companies as the Company and Employee shall from time to time mutually agree. Employee agrees to perform all duties and responsibilities traditionally assigned to, or falling within the normal responsibilities of, an individual employed in the above-referenced positions. Employee also agrees to perform any and all additional duties or responsibilities as may be assigned by the Company in its sole discretion. The Parties acknowledge that both Employee's title and the underlying duties may change.

2. Best Efforts and Duty of Loyalty. During the term of employment with the Company, Employee covenants and agrees to exercise reasonable efforts to perform all assigned duties in a diligent and professional manner and in the best interest of the Company. Employee agrees to devote Employee's full working time, attention, talents, skills and best efforts to further the Company's business and agrees not to take any action, or make any omission, that deprives the Company of any business opportunities or otherwise act in a manner that conflicts with the best interest of the Company or is otherwise detrimental to its business. Employee agrees not to engage in any outside business activity, whether or not pursued for gain, profit or other pecuniary advantage, without the express written consent of the Company. Employee shall act at all times in accordance with the Company's Code of Ethical Business Conduct, and all other applicable policies which may exist or be adopted by the Company from time to time.

3. At-Will Employment. Subject to the terms and conditions set forth below, Employee specifically acknowledges and accepts such employment on an "at-will" basis and agrees that both Employee and the Company retain the right to terminate this relationship at any time, with or without cause, for any reason not prohibited by applicable law upon notice as required by this Agreement. Employee acknowledges that nothing in this Agreement is intended to create, nor should be interpreted to create, an employment contract for any specified length of time between the Company and Employee.

4. Compensation. For all services rendered by Employee on behalf of, or at the request of, the Company, Employee shall be paid as follows:

   (a) A base salary at the bi-weekly rate of Fifteen Thousand Three Hundred Eighty-Four Dollars and Sixty-One Cents ($15,384.61), less usual and ordinary deductions;

   (b) The other compensation and benefits described in (and subject to the terms of) the attached offer of employment letter to Employee dated June _____ , 2008, from Kenneth A. Camp, as Chief Executive Officer of Hillenbrand, Inc., subject, however, to the terms of this Agreement;

   (c) Incentive compensation, payable solely at the discretion of the Company, pursuant to the Company's existing Incentive Compensation Program or any other program as the Company may establish in its sole discretion; and

(d) Such additional compensation, benefits and perquisites as the Company may deem appropriate.

5. Changes to Compensation. Notwithstanding anything contained herein to the contrary, Employee acknowledges that the Company specifically reserves the right to make changes to Employee's compensation in its sole discretion including, but not limited to, modifying or eliminating a compensation component. The Parties agree that such changes shall be deemed effective immediately and a modification of this Agreement unless, within seven (7) days after receiving notice of such change, Employee exercises Employee's right to terminate this Agreement without cause or for "Good Reason" as provided below in Paragraph No. 11. The Parties anticipate that Employee's compensation structure will be reviewed on an annual basis but acknowledge that the Company shall have no obligation to do so.

6. Direct Deposit. As a condition of employment, and within thirty (30) days of the effective date of this Agreement, Employee agrees to make all necessary arrangements to have all sums paid pursuant to this Agreement direct deposited into one or more bank accounts as designated by Employee.

7. Warranties and Indemnification. Employee warrants that Employee is not a party to any contract, restrictive covenant, or other agreement purporting to limit or otherwise adversely affecting Employee's ability to secure employment with the Company or any other potential employer. Alternatively, should any such agreement exist, Employee warrants that the existence thereof has been disclosed to the Company and that the contemplated services to be performed hereunder will not violate the terms and conditions of any such agreement. In either event, Employee agrees to fully indemnify and hold the Company harmless from any and all claims arising from, or involving the enforcement of, any such restrictive covenants or other agreements.

8. Restricted Duties. Employee agrees not to disclose, or use for the benefit of the Company, any confidential or proprietary information belonging to any predecessor employer(s) that otherwise has not been made public and further acknowledges that the Company has specifically instructed Employee not to disclose or use such confidential or proprietary information. Based on Employee's understanding of the anticipated duties and responsibilities hereunder, Employee acknowledges that such duties and responsibilities will not compel the disclosure or use of any such confidential and proprietary information.

9. Termination Without Cause. The Parties agree that either Party may terminate this employment relationship at any time, without cause, upon sixty (60) days' advance written notice or, if terminated by the Company, pay in lieu of notice (hereinafter referred to as "notice pay") if the Company so elects. In such event, Employee shall only be entitled to such compensation, benefits and perquisites that have been paid or fully accrued as of the effective date of Employee's separation and as otherwise explicitly set forth in this Agreement. However, in no event shall Employee be entitled to notice pay if Employee is eligible for and accepts severance payments pursuant to the provisions of Paragraphs 16 and 17, below.

10. Termination With Cause. Employee's employment may be terminated by the Company at any time "for cause" without notice or prior warning. For purposes of this Agreement, "cause" shall mean the Company's good faith determination that Employee has:

(a) Acted with gross neglect or willful misconduct in the discharge of Employee duties and responsibilities or refused to follow or comply with the lawful direction of the Company or the terms and conditions of this Agreement, providing such refusal is not based primarily on Employee's good faith compliance with applicable legal or ethical standards;

(b) Acquiesced or participated in any conduct that is dishonest, fraudulent, illegal (at the felony level), unethical, involves moral turpitude or is otherwise illegal and involves conduct that has the potential, in the Company's reasonable opinion, to cause the Company or any of the Companies and/or their officers or directors embarrassment or ridicule;

(c) Violated a material requirement of any Company policy or procedure, specifically including a violation of the Company's Code of Ethics or Associate Policy Manual;

(d) Disclosed without proper authorization any trade secrets or other Confidential Information (as defined herein);

(e) Engaged in any act that, in the reasonable opinion of the Company, is contrary to the best interests of any of the Companies or would hold any of them or their officers or directors up to probable civil or criminal liability, provided that, if Employee acts in good faith in compliance with applicable legal or ethical standards, such actions shall not be grounds for termination for cause; or

(f) Engaged in such other conduct recognized at law as constituting cause.

Upon the occurrence or discovery of any event specified above, the Company shall have the right to terminate Employee's employment, effective immediately, by providing notice thereof to Employee without further obligation to Employee other than accrued wages or other accrued wages, deferred compensation or other accrued benefits of employment (collectively referred to herein as "Accrued Obligations"), which shall be paid in accordance with the Company's past practice and applicable law. To the extent any violation of this Paragraph is capable of being promptly cured by Employee (or cured within a reasonable period to the Company's satisfaction), the Company agrees to provide Employee with a reasonable opportunity to so cure such defect. Absent written mutual agreement otherwise, the Parties agree in advance that it is not possible for Employee to cure any violations of sub-paragraph (b) or (d) and, therefore, no opportunity for cure need be provided in those circumstances.

11. Termination by Employee for Good Reason. Employee may terminate this Agreement and declare this Agreement to have been terminated "without cause" by the Company (and, therefore, for "Good Reason") upon the occurrence, without Employee's consent, of any of the following circumstances:

    (a) The assignment to Employee of duties lasting more than sixty (60) days that are materially inconsistent with Employee's then current position or a material change in Employee's reporting relationship;

    (b) The failure to elect or reelect Employee as President and Chief Operating Officer of Batesville Casket Company, Inc. (unless such failure is related in any way to the Company's decision to terminate Employee for cause);

    (c) The failure of the Company to continue to provide Employee with office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) within the Company's principal executive offices commensurate with his responsibilities to, and position within, the Company;

    (d) A reduction by the Company in the amount of Employee's base salary or the discontinuation or reduction by the Company of Employee's participation at the same level of eligibility as compared to other peer employees in any incentive compensation, additional compensation, benefits, policies or perquisites subject to Employee understanding that such reduction(s) shall be permissible if the change applies in a similar way to other peer level employees;

    (e) The relocation of the Company's principal executive offices or Employee's place of work to a location requiring a change of more than fifty (50) miles in Employee's daily commute; or

    (f) A failure by the Company to perform its obligations under this Employment Agreement that is not cured by the Company promptly after written notice of such failure is given to the Company by Employee.

12. Termination Due to Death or Disability. In the event Employee dies or suffers a disability (as defined herein) during the term of employment, this Agreement shall automatically be terminated on the date of such death or disability without further obligation on the part of the Company other than the payment of Accrued Obligations. For purposes of this Agreement, Employee shall be considered to have suffered a "disability" upon a determination by the Company, or an admission by Employee, that Employee cannot perform the essential functions of Employee's position as a result of a such a disability and the occurrence of one or more of the following events:

    (a) Employee becomes eligible for or receives any benefits pursuant to any disability insurance policy as a result of a determination under such policy that Employee is permanently disabled;

    (b) Employee becomes eligible for or receives any disability benefits under the Social Security Act; or

    (c) A good faith determination by the Company that Employee is and will likely remain unable to perform the essential functions of Employee's duties or responsibilities hereunder on a full-time basis, with or without reasonable accommodation, as a result of any mental or physical impairment.

Notwithstanding anything expressed or implied above to the contrary, the Company agrees to fully comply with its obligations under the Family and Medical Leave Act of 1993 and the Americans with Disabilities Act as well as any other applicable federal, state, or local law, regulation, or ordinance governing the provision of leave to individuals with serious health conditions or the protection of individuals with disabilities as well as the Company's obligation to provide reasonable accommodation thereunder.

13. Exit Interview. Upon termination of Employee's employment for any reason, Employee agrees, if requested, to participate in an exit interview with the Company and reaffirm in writing Employee's post-employment obligations as set forth in this Agreement

14. Section 409A Notification. Employee acknowledges that Employee has been advised of the American Jobs Creation Act of 2004, which added Section 409A to the Internal Revenue Code ("Section 409A"), and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that Employee's severance pay and other termination benefits may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation, including the timing thereof. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of such deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees that if Employee is a "specified employee" at the time of Employee's termination of employment and if payments in connection with such termination of employment are subject to Section 409A and not otherwise exempt, such payments (and other benefits to the extent applicable) due Employee at the time of termination of employment shall not be paid until a date at least six (6) months after the effective date of Employee's termination of employment ("Employee's Effective Termination Date"). Notwithstanding any provision of this Agreement to the contrary, to the extent that any payment under the terms of this Agreement would constitute an impermissible acceleration of payments under Section 409A or any regulations or Treasury guidance promulgated thereunder, such payments shall be made no earlier than at such times as allowed under Section 409A. If any provision of this Agreement (or of any award of compensation) would cause Employee to incur any additional tax or interest under Section 409A or any regulations or Treasury guidance promulgated thereunder, the Company or its successor may reform such provision; provided that it will (i) maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A and (ii) notify and consult with Employee regarding such amendments or modifications prior to the effective date of any such change.

15. Section 409A Acknowledgement. Employee acknowledges that, notwithstanding anything contained herein to the contrary, both Parties shall be independently responsible for assessing their own risks and liabilities under Section 409A that may be associated with any payment made under the terms of this Agreement or any other arrangement which may be deemed to trigger Section 409A. Further, the Parties agree that each shall independently bear responsibility for any and all taxes, penalties or other tax obligations as may be imposed upon them in their individual capacity as a matter of law.

To the extent applicable, Employee understands and agrees that Employee shall have the responsibility for, and Employee agrees to pay, any and all appropriate income tax or other tax obligations for which Employee is individually responsible and/or related to receipt of any compensation or benefits provided in this Agreement. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such compensation or benefits having been provided to Employee or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided or will provide Employee with any legal or financial advice concerning taxes or any other matter, and that Employee has not relied on any such advice in deciding whether to enter into this Agreement.

16. Severance. In the event Employee's employment is terminated by the Company without cause (including by Employee for Good Reason), and subject to the normal terms and conditions imposed by the Company as set forth herein and in the attached Separation and Release Agreement, Employee shall be eligible to receive severance pay based upon Employee's base salary at the time of termination for a period determined in accordance with any guidelines as may be established by the Company or for a period up to twelve (12) months (whichever is longer).

17. Severance Payment Terms and Conditions. No severance pay shall be paid if Employee voluntarily leaves the Company's employ without "Good Reason" (as defined above) or is terminated for cause. Any severance pay made payable under this Agreement shall be paid in lieu of, and not in addition to, any other contractual, notice or statutory pay or other accrued compensation obligation (excluding accrued wages and deferred compensation). Additionally, such severance pay is contingent upon Employee fully complying with the restrictive covenants contained herein and executing a Separation and Release Agreement in a form not substantially different from that attached as Exhibit A. Further, the Company's obligation to provide severance hereunder shall be deemed null and void should Employee fail or refuse to execute and deliver to the Company the Company's then-standard Separation and Release Agreement (without modification) within any time period as may be prescribed by law or, in absence thereof, twenty-one (21) days after the Employee's Effective Termination Date. Conditioned upon the execution and delivery of the Separation and Release Agreement as set forth in the prior sentence, severance pay benefits shall be paid as follows: (i) in one lump sum equivalent to six (6) months' base salary on the day following the date which is six (6) months following Employee's Effective Termination Date with any remainder to be paid in bi-weekly installments equivalent to Employee's bi-weekly base salary commencing on the next regularly scheduled payroll date, if both the severance pay benefit is subject to Section 409A and if Employee is a "specified employee" under Section 409A or (ii) for any severance pay benefits not subject to clause (i), in bi-weekly installments equivalent to Employee's bi-weekly base salary commencing upon the next regularly scheduled payroll date following the earlier to occur of fifteen (15) days from the Company's receipt of an executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date and shall be paid on the Company's regularly scheduled pay dates; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then any benefits not subject to clause (i) shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date. Excluding any lump sum payment due as a result of the application of Section 409A (which shall be paid regardless of reemployment), all other severance payments provided hereunder shall terminate upon reemployment.

18. Assignment of Rights.

(a) Copyrights. Employee agrees that all works of authorship fixed in any tangible medium of expression by Employee during the term of this Agreement relating to the Company's business ("Works"), either solely or jointly with others, shall be and remain exclusively the property of the Company. Each such Work created by Employee is a "work made for hire" under the copyright law and the Company may file applications to register copyright in such Works as author and copyright owner thereof. If, for any reason, a Work created by Employee is excluded from the definition of a "work made for hire" under the copyright law, then Employee does hereby assign, sell, and convey to the Company the entire rights, title, and interests in and to such Work, including the copyright therein, to the Company. Employee will execute any documents that the Company deems necessary in connection with the assignment of such Work and copyright therein. Employee will take whatever steps and do whatever acts the Company requests, including, but not limited to, placement of the Company's proper copyright notice on Works created by Employee to secure or aid in securing copyright protection in such Works and will assist the Company or its nominees in filing applications to register claims of copyright in such Works. The Company shall have free and unlimited access at all times to all Works and all copies thereof and shall have the right to claim and take possession on demand of such Works and copies.

(b) Inventions. Employee agrees that all discoveries, concepts, and ideas, whether patentable or not, including, but not limited to, apparatus, processes, methods, compositions of matter, techniques, and formulae, as well as improvements thereof or know-how related thereto, relating to any present or prospective product, process, or service of the Company ("Inventions") that Employee conceives or makes during the term of this Agreement relating to the Company's business, shall become and remain the exclusive property of the Company, whether patentable or not, and Employee will, without royalty or any other consideration:

(i) Inform the Company promptly and fully of such Inventions by written reports, setting forth in detail the procedures employed and the results achieved;

(ii) Assign to the Company all of Employee's rights, title, and interests in and to such Inventions, any applications for United States and foreign Letters Patent, any United States and foreign Letters Patent, and any renewals thereof granted upon such Inventions;

(iii) Assist the Company or its nominees, at the expense of the Company, to obtain such United States and foreign Letters Patent for such Inventions as the Company may elect; and

(iv) Execute, acknowledge, and deliver to the Company at the Company's expense such written documents and instruments, and do such other acts, such as giving testimony in support of Employee's inventorship, as may be necessary in the opinion of the Company, to obtain and maintain United States and foreign Letters Patent upon such Inventions and to vest the entire rights and title thereto in the Company and to confirm the complete ownership by the Company of such Inventions, patent applications, and patents.

19. Company Property. All records, files, drawings, documents, data in whatever form, business equipment (including computers, PDAs, cell phones, etc.), and the like relating to, or provided by, the Company shall be and remain the sole property of the Company. Upon termination of employment, Employee shall immediately return to the Company all such items without retention of any copies and without additional request by the Company. De minimis items such as pay stubs, 401(k) plan summaries, employee bulletins, and the like are excluded from this requirement.

20. Confidential Information. Employee acknowledges that the Company and its affiliated entities (herein collectively referred to as "Companies") possess certain trade secrets as well as other confidential and proprietary information which they have acquired or will acquire at great effort and expense. Such information may include, without limitation, confidential information, whether in tangible or intangible form, regarding the Companies' products and services, marketing strategies, business plans, operations, costs, current or prospective customer information (including customer identities, contacts, requirements, creditworthiness, preferences, and like matters), product concepts, designs, prototypes or specifications, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business(es) (collectively referred to herein as "Confidential Information"). Employee further acknowledges that, as a result of Employee's employment with the Company, Employee will have access to, will become acquainted with, and/or may help develop, such Confidential Information. Confidential Information shall not include information readily available in the public so long as such information was not made available through fault of Employee or wrong doing by any other individual.

21. Restricted Use of Confidential Information. Employee agrees that all Confidential Information is and shall remain the sole and exclusive property of the Company and/or its affiliated entities. Except as may be expressly authorized by the Company in writing, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party while employed by the Company and for as long thereafter as such information remains confidential (or as limited by applicable law). Further, Employee agrees to use such Confidential Information only in the course of Employee's duties in furtherance of the Company's business and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person.

22. Acknowledged Need for Limited Restrictive Covenants Employee acknowledges that the Companies have spent and will continue to expend substantial amounts of time, money and effort to develop their business strategies, Confidential Information, customer identities and relationships, goodwill and employee relationships, and that Employee will benefit from these efforts. Further, Employee acknowledges the inevitable use of, or near-certain influence by Employee's knowledge of, the Confidential Information disclosed to Employee during the course of employment if allowed to compete against the Company in an unrestricted manner and that such use would be unfair and extremely detrimental to the Company. Accordingly, based on these legitimate business reasons, Employee acknowledges each of the Companies' need to protect their legitimate business interests by reasonably restricting Employee's ability to compete with the Company on a limited basis.

23. Non-Solicitation. During Employee's employment and for a period of twenty-four (24) months thereafter, Employee agrees not to directly or indirectly engage in the following prohibited conduct:

    (a) Solicit, offer products or services to, or accept orders for, any Competitive Products or otherwise transact any competitive business with, any customer or entity with whom Employee had contact or transacted any business on behalf of the Company (or any Affiliate thereof) during the eighteen (18) month period preceding Employee's date of separation or about whom Employee possessed, or had access to, confidential and proprietary information;

    (b) Attempt to entice or otherwise cause any third party to withdraw, curtail or cease doing business with the Company (or any Affiliate thereof), specifically including customers, vendors, independent contractors and other third party entities;

    (c) Disclose to any person or entity the identities, contacts or preferences of any customers of the Company (or any Affiliate thereof), or the identity of any other persons or entities having business dealings with the Company (or any Affiliate thereof);

    (d) Induce any individual who has been employed by or had provided services to the Company (or any Affiliate thereof) within the six (6) month period immediately preceding the effective date of Employee's separation to terminate such relationship with the Company (or any Affiliate thereof);

    (e) Assist, coordinate or otherwise offer employment to, accept employment inquiries from, or employ any individual who is or had been employed by the Company (or any Affiliate thereof) at any time within the six (6) month period immediately preceding such offer, or inquiry;

    (f) Communicate or indicate in any way to any customer of the Company (or any Affiliate thereof), prior to formal separation from the Company, any interest, desire, plan, or decision to separate from the Company; or

(g) Otherwise attempt to directly or indirectly interfere with the Company's business, the business of any of the Companies or their relationship with their employees, consultants, independent contractors or customers.

24. Limited Non-Compete. For the above-stated reasons, and as a condition of employment to the fullest extent permitted by law, Employee agrees during the Relevant Non-Compete Period not to directly or indirectly engage in the following competitive activities:

(a) Employee shall not have any ownership interest in, work for, advise, consult, or have any business connection or business or employment relationship in any competitive capacity with any Competitor unless Employee provides written notice to the Company of such relationship prior to entering into such relationship and, further, provides sufficient written assurances to the Company's satisfaction that such relationship will not, jeopardize the Company's legitimate interests or otherwise violate the terms of this Agreement;

(b) Employee shall not engage in any research, development, production, sale or distribution of any Competitive Products, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation;

(c) Employee shall not market, sell, or otherwise offer or provide any Competitive Products within Employee's Geographic Territory (if applicable) or Assigned Customer Base, specifically including any products or services relating to those for which Employee had responsibility for the eighteen (18) month period preceding Employee's date of separation; and

(d) Employee shall not distribute, market, sell or otherwise offer or provide any Competitive Products to any customer of the Company with whom Employee had contact or for which Employee had responsibility at any time during the eighteen (18) month period preceding Employee's date of separation

25. Non-Compete Definitions. For purposes of this Agreement, the Parties agree that the following terms shall apply:

(a) "Affiliate" includes any parent, subsidiary, joint venture, or other entity controlled, owned, managed or otherwise associated with the Company;

(b) "Assigned Customer Base" shall include all accounts or customers formally assigned to Employee within a given territory or geographical area or contacted by Employee at any time during the eighteen (18) month period preceding Employee's date of separation;

(c) "Competitive Products" shall include any product or service that directly or indirectly competes with, is substantially similar to, or serves as a reasonable substitute for, any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company;

(d) "Competitor" shall include any person or entity that offers or is actively planning to offer any Competitive Products and may include (but not be limited to) any entity identified on the Company's Illustrative Competitor List, attached hereto as Exhibit B, which shall be amended from time to time to reflect changes in the Company's business and competitive environment (updated competitor lists will be provided to Employee upon reasonable request);

(e) "Geographic Territory" shall include any territory formally assigned to Employee as well as all territories in which Employee has provided any services, sold any products or otherwise had responsibility at any time during the twenty-four (24) month period preceding Employee's date of separation;

(f) "Relevant Non-Compete Period" shall include the period of Employee's employment with the Company as well as a period of twenty-four (24) months after such employment is terminated, regardless of the reason for such termination provided, however, that this period shall be reduced to the greater of (i) twelve (12) months or (ii) the total length of Employee's employment with the Company, including employment with any parent, subsidiary or affiliated entity, if such employment is less than twenty-four (24) months;

(g) "Directly or indirectly" shall be construed such that the foregoing restrictions shall apply equally to Employee whether performed individually or as a partner, shareholder, officer, director, manager, employee, salesperson, independent contractor, broker, agent, or consultant for any other individual, partnership, firm, corporation, company, or other entity engaged in such conduct

26. Employment by National or Regional Accounts. Employee acknowledges that Employee will have acquired and/or have access to confidential and proprietary information regarding the Company's business dealings with, and business strategies concerning, its national or regional accounts (a/k/a Key Accounts, Prime Accounts, and National Accounts). Employee further acknowledges that such knowledge would provide Employee with a competitive advantage if used against the Company or used against a competitor of a national or regional account. Accordingly, as a term and condition of employment, Employee agrees that the foregoing restrictive covenants shall apply with equal force to restrict Employee from seeking any employment or any other business relationship with such national or regional account, whether or not serviced by Employee, for the duration of Employee's Relevant Non-Compete Period. Employee agrees that such accounts shall include, but not be limited to, the following:

- Arbor Memorial Services
- Brooke Funeral Services Co., LLC (Brooke Franchise Corp.)
- Buckner Management Services
- Calvert Group
- Carriage Funeral Holdings, Inc.
- Celebris Memorial Services, Inc. (Urgel Bourgie)
- Citadel Funeral Service, Inc. (Wisconsin Vault Company)
- Concord Family Services, Inc.
- Family Choices
- Gibralter Mausoleum Company (A division of Matthews International)

- Keystone Group Holdings, Inc.
- Legacy Funeral Group (Legacy Funeral Holdings, Inc.; Legacy Funeral Holdings of Louisiana, LLC; Legacy Funeral Holdings of Mississippi, LLC; Legacy Funeral Properties, Inc.)
- Memory Gardens Management Corporation
- Newcomer Funeral Homes and Crematories
- Northstar Memorial Group
- Paxus Services, Inc. (Paxus Services (Kansas), Inc.; Paxus Services (Tennessee), Inc.; Paxus Services (Lousiana), Inc.; Paxus Services (Texas), Inc.; Paxus Services (Oklahoma), Inc.)
- Pioneer Enterprises, Inc.
- Rollings Funeral Service, Inc.
- Security National Financial Corporation
- Service Corporation International
- Stewart Enterprises, Inc.
- StoneMor Partners, L.P.
- Vertin Companies Family Funeral Homes
- Washburn-McReavy Funeral Chapels
- Wilson Financial Group, Inc.

27. Consent to Reasonableness. In light of the above-referenced concerns, including Employee's knowledge of and access to the Companies' Confidential Information, Employee acknowledges that the terms of the foregoing restrictive covenants are reasonable and necessary to protect the Company's legitimate business interests and will not unreasonably interfere with Employee's ability to obtain alternate employment. As such, Employee hereby agrees that such restrictions are valid and enforceable, and affirmatively waives any argument or defense to the contrary. Employee acknowledges that this limited non-competition provision is not an attempt to prevent Employee from obtaining other employment in violation of IC § 22-5-3-1 or any other similar statute. Employee further acknowledges that the Company may need to take action, including litigation, to enforce this limited non-competition provision, which efforts the Parties stipulate shall not be deemed an attempt to prevent Employee from obtaining other employment.

28. Survival of Restrictive Covenants. Employee acknowledges that the above restrictive covenants shall survive the termination of this Agreement and the termination of Employee's employment for any reason. Employee further acknowledges that any alleged breach by the Company of any contractual, statutory or other obligation shall not excuse or terminate the obligations hereunder or otherwise preclude the Company from seeking injunctive or other relief. Rather, Employee acknowledges that such obligations are independent and separate covenants undertaken by Employee for the benefit of the Company.

29. Effect of Transfer. Subject to the provisions of Paragraph 11 above, Employee agrees that this Agreement shall continue in full force and effect notwithstanding any change in job duties, job titles or reporting responsibilities. Employee further acknowledges that the above restrictive covenants shall survive, and be extended to cover, the transfer of Employee from the Company to its parent, subsidiary, or any other affiliated entity (hereinafter collectively referred to as an "Affiliate") or any subsequent transfer(s) among them. Specifically, in the event of Employee's temporary or permanent transfer to an Affiliate, Employee agrees that the foregoing restrictive covenants shall remain in force so as to continue to protect such company for the duration of the non-compete period, measured from Employee effective date of transfer to an Affiliate. Additionally, Employee acknowledges that this Agreement shall be deemed to have been automatically assigned to the Affiliate as of Employee's effective date of transfer such that the above-referenced restrictive covenants (as well as all other terms and conditions contained herein) shall be construed thereafter to protect the legitimate business interests and goodwill of the Affiliate as if Employee and the Affiliate had independently entered into this Agreement. Employee's acceptance of Employee's transfer to, and subsequent employment by, the Affiliate shall serve as consideration for (as well as be deemed as evidence of Employee's consent to) the assignment of this Agreement to the Affiliate as well as the extension of such restrictive covenants to the Affiliate. Employee agrees that this provision shall apply with equal force to any subsequent transfers of Employee from one Affiliate to another Affiliate.

30. Post-Termination Notification. For the duration of Employee's Relevant Non-compete Period or other restrictive covenant period, which ever is longer, Employee agrees to promptly notify the Company no later than five (5) business days of Employee's acceptance of any employment or consulting engagement. Such notice shall include sufficient information to ensure Employee compliance with Employee's non-compete obligations and must include at a minimum the following information: (i) the name of the employer or entity for which Employer is providing any consulting services; (ii) a description of Employee's intended duties as well as (iii) the anticipated start date. Such information is required to ensure Employee's compliance with Employee's non-compete obligations as well as all other applicable restrictive covenants. Such notice shall be provided in writing to the Office of Vice President and General Counsel of the Company at One Batesville Boulevard, Batesville, Indiana 47006. Failure to timely provide such notice shall be deemed a material breach of this Agreement and entitle the Company to return of any severance paid to Employee plus attorneys' fees. Employee further consents to the Company's notification to any new employer of Employee's rights and obligations under this Agreement.

31. Scope of Restrictions. If the scope of any restriction contained in any preceding paragraphs of this Agreement is deemed too broad to permit enforcement of such restriction to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

32. Specific Enforcement/Injunctive Relief. Employee agrees that it would be difficult to measure any damages to the Company from a breach of the above-referenced restrictive covenants, but acknowledges that the potential for such damages would be great, incalculable and irremediable, and that monetary damages alone would be an inadequate remedy. Accordingly, Employee agrees that the Company shall be entitled to immediate injunctive relief against such breach, or threatened breach, in any court having jurisdiction. In addition, if Employee violates any such restrictive covenant, Employee agrees that the period of such violation shall be added to the term of the restriction. In determining the period of any violation, the Parties stipulate that in any calendar month in which Employee engages in any activity in violation of such provisions, Employee shall be deemed to have violated such provision for the entire month, and that month shall be added to the duration of the non-competition provision. Employee acknowledges that the remedies described above shall not be the exclusive remedies, and the Company may seek any other remedy available to it either in law or in equity, including, by way of example only, statutory remedies for misappropriation of trade secrets, and including the recovery of compensatory or punitive damages. Employee further agrees that the Company shall be entitled to an award of all costs and attorneys' fees incurred by it in any attempt to enforce the terms of this Agreement.

33. Publicly Traded Stock. The Parties agree that nothing contained in this Agreement shall be construed to prohibit Employee from investing Employee's personal assets in any stock or corporate security traded or quoted on a national securities exchange or national market system provided, however, such investments do not require any services on the part of Employee in the operation or the affairs of the business or otherwise violate the Company's Code of Ethics.

34. Notice of Claim and Contractual Limitations Period. Employee acknowledges the Company's need for prompt notice, investigation, and resolution of any claims that may be filed against it due to the number of relationships it has with employees and others (and due to the turnover among such individuals with knowledge relevant to any underlying claim). Accordingly, Employee agrees prior to initiating any litigation of any type (including, but not limited to, employment discrimination litigation, wage litigation, defamation, or any other claim) to notify the Company, within One Hundred and Eighty (180) days after the claim accrued, by sending a certified letter addressed to the Company's General Counsel setting forth: (i) claimant's name, address, and phone; (ii) the name of any attorney representing Employee; (iii) the nature of the claim; (iv) the date the claim arose; and (v) the relief requested. This provision is in addition to any other notice and exhaustion requirements that might apply. For any dispute or claim of any type against the Company (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim), Employee must commence legal action within the shorter of one (1) year of accrual of the cause of action or such shorter period that may be specified by law.

35. Non-Jury Trials. Notwithstanding any right to a jury trial for any claims, Employee waives any such right to a jury trial, and agrees that any claim of any type (including but not limited to employment discrimination litigation, wage litigation, defamation, or any other claim) lodged in any court will be tried, if at all, without a jury.

36. Choice of Forum. Employee acknowledges that the Company is primarily based in Indiana, and Employee understands and acknowledges the Company's desire and need to defend any litigation against it in Indiana. Accordingly, the Parties agree that any claim of any type brought by Employee against the Company or any of its employees or agents must be maintained only in a court sitting in Marion County, Indiana, or Ripley County, Indiana, or, if a federal court, the Southern District of Indiana, Indianapolis Division. Employee further understands and acknowledges that in the event the Company initiates litigation against Employee, the Company may need to prosecute such litigation in such state where the Employee is subject to personal jurisdiction. Accordingly, for purposes of enforcement of this Agreement, Employee specifically consents to personal jurisdiction in the State of Indiana as well as any state in which resides a customer assigned to the Employee. Furthermore, Employee consents to appear, upon Company's request and at Employee's own cost, for deposition, hearing, trial, or other court proceeding in Indiana or in any state in which resides a customer assigned to the Employee.

37. Choice of Law. This Agreement shall be deemed to have been made within the County of Ripley, State of Indiana and shall be interpreted and construed in accordance with the laws of the State of Indiana. Any and all matters of dispute of any nature whatsoever arising out of, or in any way connected with the interpretation of this Agreement, any disputes arising out of the Agreement or the employment relationship between the Parties hereto, shall be governed by, construed by and enforced in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

38. Titles. Titles are used for the purpose of convenience in this Agreement and shall be ignored in any construction of it.

39. Severability. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, in the event any portion of this Agreement is adjudged to be invalid or unenforceable, the remaining portions thereof shall remain in effect and be enforced to the fullest extent permitted by law. Further, should any particular clause, covenant, or provision of this Agreement be held unreasonable or contrary to public policy for any reason, the Parties acknowledge and agree that such covenant, provision or clause shall automatically be deemed modified such that the contested covenant, provision or clause will have the closest effect permitted by applicable law to the original form and shall be given effect and enforced as so modified to whatever extent would be reasonable and enforceable under applicable law.

40. Assignment-Notices. The rights and obligations of the Company under this Agreement shall inure to its benefit, as well as the benefit of its parent, subsidiary, successor and affiliated entities, and shall be binding upon the successors and assigns of the Company. This Agreement, being personal to Employee, cannot be assigned by Employee, but Employee's personal representative shall be bound by all its terms and conditions. Any notice required hereunder shall be sufficient if in writing and mailed to the last known residence of Employee or to the Company at its principal office with a copy mailed to the Office of the General Counsel.

41. Amendments and Modifications. Except as specifically provided herein, no modification, amendment, extension or waiver of this Agreement or any provision hereof shall be binding upon the Company or Employee unless in writing and signed by both Parties. The waiver by the Company or Employee of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. Nothing in this Agreement shall be construed as a limitation upon the Company's right to modify or amend any of its manuals or policies in its sole discretion and any such modification or amendment which pertains to matters addressed herein shall be deemed to be incorporated herein and made a part of this Agreement.

42. Outside Representations. Employee represents and acknowledges that in signing this Agreement Employee does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

43. Voluntary and Knowing Execution. Employee acknowledges that Employee has been offered a reasonable amount of time within which to consider and review this Agreement; that Employee has carefully read and fully understands all of the provisions of this Agreement; and that Employee has entered into this Agreement knowingly and voluntarily.

44. Entire Agreement. This Agreement constitutes the entire employment agreement between the Parties hereto concerning the subject matter hereof and shall supersede all prior and contemporaneous agreements between the Parties in connection with the subject matter of this Agreement. Any pre-existing Employment Agreements shall be deemed null and void. Nothing in this Agreement, however, shall affect any separately-executed written agreement addressing any other issues (e.g., the Inventions, Improvements, Copyrights and Trade Secrets Agreement, etc.).

IN WITNESS WHEREOF, the Parties have signed this Agreement effective as of the day and year first above written.

"EMPLOYEE"	"COMPANY" HILLENBRAND, INC.
Signed: /S/ Joe A. Raver	By: /S/ Kenneth A. Camp
Joe A. Raver	Kenneth A. Camp President and Chief Executive Officer

CAUTION: READ BEFORE SIGNING

Exhibit A

SAMPLE SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION and RELEASE AGREEMENT ("Agreement") is entered into by and between EMPLOYEE'S FULL NAME ("Employee") and COMPANY NAME (together with its subsidiaries and affiliates, the "Company"). To wit, the Parties agree as follows:

1. Employee's active employment by the Company shall terminate effective [date of termination] (Employee's "Effective Termination Date"). Except as specifically provided by this Agreement, or in any other non-employment agreement that may exist between the Company and Employee, Employee agrees that the Company shall have no other obligations or liabilities to him following his Effective Termination Date and that his receipt of the Severance Benefits provided herein shall constitute a complete settlement, satisfaction and waiver of any and all claims he may have against the Company.

2. Employee further submits, and the Company hereby accepts, his resignation as an employee, officer and director, as of his Effective Termination Date for any position he may hold. The Parties agree that this resignation shall apply to all such positions Employee may hold with the Company or any parent, subsidiary or affiliated entity thereof. Employee agrees to execute any documents needed to effectuate such resignation. Employee further agrees to take whatever steps are necessary to facilitate and ensure the smooth transition of his duties and responsibilities to others.

3. Employee acknowledges that he has been advised of the American Jobs Creation Act of 2004, which added Section 409A ("Section 409A") to the Internal Revenue Code, and significantly changed the taxation of nonqualified deferred compensation plans and arrangements. Under proposed and final regulations as of the date of this Agreement, Employee has been advised that his severance pay may be treated by the Internal Revenue Service as providing "nonqualified deferred compensation," and therefore subject to Section 409A. In that event, several provisions in Section 409A may affect Employee's receipt of severance compensation. These include, but are not limited to, a provision which requires that distributions to "specified employees" of public companies on account of separation from service may not be made earlier than six (6) months after the effective date of such separation. If applicable, failure to comply with Section 409A can lead to immediate taxation of deferrals, with interest calculated at a penalty rate and a 20% penalty. As a result of the requirements imposed by the American Jobs Creation Act of 2004, Employee agrees if he is a "specified employee" at the time of his termination of employment and if severance payments are covered as "non-qualified deferred compensation" or otherwise not exempt, the severance pay benefits shall not be paid until a date at least six (6) months after Employee's Effective Termination Date from Company, as more fully explained by Paragraph 4, below.

4. In consideration of the promises contained in this Agreement and contingent upon Employee's compliance with such promises, the Company agrees to provide Employee the following:

   (a) Severance pay, in lieu of, and not in addition to any other contractual, notice or statutory pay obligations (other than accrued wages and deferred compensation) in the maximum total amount of [_____] Dollars and **[_____]** Cents ($ _____), less applicable deductions or other set offs, payable as follows:

   [*For 409A Severance Pay for Specified Employees Only*]

      (i) A lump payment in the gross amount of [insert amount equal to 6 months pay] [_____] Dollars and [_____] Cents **($ _____**) payable the day following the sixth (6th) month anniversary of Employee's Effective Termination Date, with any remaining amount to be paid in bi-weekly installments equivalent to Employee's base salary (i.e. _____ Dollars and _____ Cents ($ _____), less applicable deductions or other setoffs) commencing upon the next regularly scheduled payroll date after the payment of the lump sum for a period of up to _____ (_____) weeks or until the Employee becomes reemployed, whichever comes first.

   [*For Non- 409A Severance Pay or 409A Severance Pay for Non-Specified Employees Only*]

      (i) Commencing on the next regularly scheduled payroll immediately following the earlier to occur of fifteen (15) days from the Company's receipt of and Executed Separation and Release Agreement or the expiration of sixty (60) days after Employee's Effective Termination Date, Employee shall be paid severance equivalent to his bi-weekly base salary (i.e. **[_____]** Dollars and **[_____]** Cents ($**[_____]**), less applicable deductions or other set-offs), for a period up to [weeks] (**[_____]**) weeks following Employee's Effective Termination Date or until Employee becomes reemployed, whichever occurs first; provided, however, that if the before-stated sixty (60) day period ends in a calendar year following the calendar year in which the sixty (60) day period commenced, then this severance pay shall only begin on the next regularly scheduled payroll following the expiration of sixty (60) days after the Employee's Effective Termination Date.

   (b) Payment for any earned but unused vacation as of Employee's Effective Termination Date, less applicable deductions permitted or required by law, payable in one lump sum within fifteen (15) days after the Employee's Effective Termination Date; and

   (c) Group Life Insurance coverage until the above-referenced Severance Pay terminates.

5. Except as may be required by Section 409A, the above Severance Pay shall be paid in accordance with the Company's standard payroll practices (e.g. bi-weekly). The Parties agree that the initial two (2) weeks of the foregoing Severance Pay shall be allocated as consideration provided to Employee in exchange for his execution of a release in compliance with the Older Workers Benefit Protection Act. The balance of the severance benefits and other obligations undertaken by the Company pursuant to this Agreement shall be allocated as consideration for all other promises and obligations undertaken by Employee, including execution of a general release of claims.

6. The Company further agrees to provide Employee with limited out-placement counseling with a company of its choice provided that Employee participates in such counseling immediately following termination of employment. Notwithstanding anything in this Section 6 to the contrary, the out-placement counseling shall not be provided after the last day of the second calendar year following the calendar year in which termination of employment occurs.

7. As of his Effective Termination Date, Employee will become ineligible to participate in the Company's health insurance program and continuation of coverage requirements under COBRA (if any) will be triggered at that time. However, as additional consideration for the promises and obligations contained herein (and except as may be prohibited by law), the Company agrees to continue to pay the employer's share of such coverage as provided under the health care program selected by Employee as of his Effective Termination Date, subject to any approved changes in coverage based on a qualified election, until the above-referenced Severance Pay terminates, Employee accepts other employment or Employee becomes eligible for alternative healthcare coverage, which ever comes first, provided Employee (i) timely completes the applicable election of coverage forms and (ii) continues to pay the employee portion of the applicable premium(s). Thereafter, if applicable, coverage will be made available to Employee at his sole expense (i.e., Employee will be responsible for the full COBRA premium) for the remaining months of the COBRA coverage period made available pursuant to applicable law. In the event Employee is deemed to be a highly compensated employee under applicable law, Employee acknowledges that the value of the benefits provided hereunder may be subject to taxation. The medical insurance provided herein does not include any disability coverage.

8. Should Employee become employed before the above-referenced Severance Benefits are exhausted or terminated, Employee agrees to so notify the Company in writing within five (5) business days of Employee's acceptance of such employment, providing the name of such employer (or entity to whom Employee may be providing consulting services), his intended duties as well as the anticipated start date. Such information is required to ensure Employee's compliance with his non-compete obligations as well as all other applicable restrictive covenants. This notice will also serve to trigger the Company's right to terminate the above-referenced severance pay benefits (specifically excluding any lump sum payment due as a result of the application of Section 409A) as well as all Company-paid or Company–provided benefits consistent with the above paragraphs. Failure to timely provide such notice shall be deemed a material breach of this Agreement entitling the Company to recover as damages the value of all benefits provided to Employee hereunder plus attorneys fees. .In the event Employee accepts employment at a lower rate of pay, the Company will agree to continue to pay Employee the difference between the above severance pay and Employee's total compensation to be paid by a subsequent employer upon receipt of acceptable proof of such compensation. All other severance benefits however, shall terminate upon reemployment.

9. Employee agrees to fully indemnify and hold the Company harmless for any taxes, penalties, interest, cost or attorneys' fee assessed against or incurred by the Company on account of such benefits having been provided to him or based on any alleged failure to withhold taxes or satisfy any claimed obligation. Employee understands and acknowledges that neither the Company, nor any of its employees, attorneys, or other representatives has provided him with any legal or financial advice concerning taxes or any other matter, and that he has not relied on any such advice in deciding whether to enter into this Agreement. To the extent applicable, Employee understands and agrees that he shall have the responsibility for, and he agrees to pay, any and all appropriate income tax or other tax obligations for which he is individually responsible and/or related to receipt of any benefits provided in this Agreement not subject to federal withholding obligations

10. In exchange for the foregoing Severance Benefits, EMPLOYEE FULL NAME on behalf of himself, his heirs, representatives, agents and assigns hereby RELEASES, INDEMNIFIES, HOLDS HARMLESS, and FOREVER DISCHARGES (i) Company Name (ii) its parent, subsidiary or affiliated entities, (iii) all of their present or former directors, officers, employees, shareholders, and agents, as well as, (iv) all predecessors, successors and assigns thereof from any and all actions, charges, claims, demands, damages or liabilities of any kind or character whatsoever, known or unknown, which Employee now has or may have had through the effective date of this Agreement.

11. Without limiting the generality of the foregoing release, it shall include: (i) all claims or potential claims arising under any federal, state or local laws relating to the Parties' employment relationship, including any claims Employee may have under the Civil Rights Acts of 1866 and 1964, as amended, 42 U.S.C. §§ 1981 and 2000(e) et seq.; the Civil Rights Act of 1991; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 et seq.; the Americans with Disabilities Act of 1990, as amended, 42 U.S.C §§ 12,101 et seq.; the Fair Labor Standards Act 29 U.S.C. §§ 201 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; the Employee Retirement Income Security Act, 29 U.S.C. §§ 1101 et seq.; the Sarbanes-Oxley Act of 2002, specifically including the Corporate and Criminal Fraud Accountability Act, 18 USC §1514A et seq.; and any other federal, state or local law governing the Parties' employment relationship; (ii) any claims on account of, arising out of or in any way connected with Employee's employment with the Company or leaving of that employment; (iii) any claims alleged or which could have been alleged in any charge or complaint against the Company; (iv) any claims relating to the conduct of any employee, officer, director, agent or other representative of the Company; (v) any claims of discrimination, harassment or retaliation on any basis; (vi) any claims arising from any legal restrictions on an employer's right to separate its employees; (vii) any claims for personal injury, compensatory or punitive damages or other forms of relief; and (viii) all other causes of action sounding in contract, tort or other common law basis, including (a) the breach of any alleged oral or written contract, (b) negligent or intentional misrepresentations, (c) wrongful discharge, (d) just cause dismissal, (e) defamation, (f) interference with contract or business relationship or (g) negligent or intentional infliction of emotional distress.

12. Employee further agrees and covenants not to sue the Company or any entity or individual subject to the foregoing General Release with respect to any claims, demands, liabilities or obligations release by this Agreement provided, however, that nothing contained in this Agreement shall:

    (a) prevent Employee from filing an administrative charge with the Equal Employment Opportunity Commission or any other federal, state or local agency; or

    (b) prevent Employee from challenging, under the Older Worker's Benefit Protection Act (29 U.S.C. § 626), the knowing and voluntary nature of Employee release of any age claims in this Agreement in court or before the Equal Employment Opportunity Commission. **[INCLUDE THIS SUBPARAGRAPH (b) IF EMPLOYEE IS AGE 40 OR OLDER]**

13. Notwithstanding his right to file an administrative charge with the EEOC or any other federal, state, or local agency, Employee agrees that with his release of claims in this Agreement, he has waived any right he may have to recover monetary or other personal relief in any proceeding based in whole or in part on claims released by him in this Agreement. For example, Employee waives any right to monetary damages or reinstatement if an administrative charge is brought against the Company whether by Employee, the EEOC, or any other person or entity, including but not limited to any federal, state, or local agency. Further, with his release of claims in this Agreement, Employee specifically assigns to the Company his right to any recovery arising from any such proceeding.

14. **(ADD THIS LANGUAGE IF THE EMPLOYEE IS AGE 40 OR OLDER) The Parties acknowledge that it is their mutual and specific intent that the above waiver fully complies with the requirements of the Older Workers Benefit Protection Act (29 U.S.C. § 626) and any similar law governing release of claims. Accordingly, Employee hereby acknowledges that:**

    (a) He has carefully read and fully understands all of the provisions of this Agreement and that he has entered into this Agreement knowingly and voluntarily;

    (b) The Severance Benefits offered in exchange for Employee's release of claims exceed in kind and scope that to which he would have otherwise been legally entitled absent the execution of this Agreement;

    (c) Prior to signing this Agreement, Employee had been advised, and is being advised by this Agreement, to consult with an attorney of his choice concerning its terms and conditions; and

    (d) He has been offered at least [twenty-one (21)/forty-five (45)] [SELECT 21 FOR AN INDIVIDUAL TERMINATION AND 45 FOR A GROUP TERMINATION] days within which to review and consider this Agreement.

15. **(ADD THIS LANGUAGE IF EMPLOYEE IS AGE 40 OR OLDER) The Parties agree that this Agreement shall not become effective and enforceable until the date this Agreement is signed by both Parties or seven (7) calendar days after its execution by Employee, whichever is later. Employee may revoke this Agreement for any reason by providing written notice of such intent to the Company within seven (7) days after he has signed this Agreement, thereby forfeiting Employee's right to receive any Severance Benefits provided hereunder and rendering this Agreement null and void in its entirety. This revocation must be sent to the Employee's HR representative with a copy sent to the Batesville Casket Company Office of General Counsel and must be received by the end of the seventh day after the Employee signs this Agreement to be effective.**

16. **[ADD THIS LANGUAGE IF THE EMPLOYEE IS IN CALIFORNIA] Employee specifically acknowledges that, as a condition of this Agreement, Employee expressly releases all rights and claims that Employee knows about as well as those Employee may not know about. Employee expressly waives all rights under Section 1542 of the Civil Code of the State of California, which reads as follows:**

> **"A general release does not extend to claims which the creditor does not know or suspect to exist in Employee favor at the time of executing the release which if known, must have materially affected Employee settlement with the debtor."**

Notwithstanding the provision by Section 1542, and for the purpose of implementing a full and complete release and discharge of the Company as set forth above, Employee expressly acknowledges that this Agreement is intended to include and does in its effect, without limitation, include all claims which Employee does not know or suspect to exist in Employee favor at the time of signing this Agreement and that this Agreement expressly contemplates the extinguishment of all such claims.

17. The Parties agree that nothing contained herein shall purport to waive or otherwise affect any of Employee's rights or claims that may arise after he signs this Agreement. It is further understood by the Parties that nothing in this Agreement shall affect any rights Employee may have under any Company sponsored Deferred Compensation Program, Executive Life Insurance Bonus Plan, Stock Grant Award, Stock Option Grant, Restricted Stock Unit Award, Pension Plan and/or Savings Plan (i.e., 401(k) plan) provided by the Company as of the date of his termination, such items to be governed exclusively by the terms of the applicable agreements or plan documents.

18. Similarly, notwithstanding any provision contained herein to the contrary, this Agreement shall not constitute a waiver or release or otherwise affect Employee's rights with respect to any vested benefits, any rights he has to benefits which can not be waived by law, any coverage provided under any Directors and Officers ("D&O") policy, any rights Employee may have under any indemnification agreement he has with the Company prior to the date hereof, any rights he has as a shareholder, or any claim for breach of this Agreement, including, but not limited to the benefits promised by the terms of this Agreement.

19. **[*Optional provision for equity-eligible employees* Except as provided herein, Employee acknowledges that he will not be eligible to receive or vest in any additional stock options, stock awards or restricted stock units ("RSUs") as of his Effective Termination Date. Failure to exercise any vested options within the applicable period as set for in the plan and/or grant will result in their forfeiture. Employee acknowledges that any stock options, stock awards or RSUs held for less than the required period shall be deemed forfeited as of the effective date of this Agreement. All terms and conditions of such stock options, stock awards or RSUs shall not be affected by this Agreement, shall remain in full force and effect, and shall govern the Parties' rights with respect to such equity based awards.]**

20. **[*Option A*]** Employee acknowledges that his termination and the Severance Benefits offered hereunder were based on an individual determination and were not offered in conjunction with any group termination or group severance program and waives any claim to the contrary.

    [*Option B*] Employee represents and agrees that he has been provided relevant cohort information based on the information available to the Company as of the date this Agreement was tendered to Employee. This information is attached hereto as Exhibit A. The Parties acknowledge that simply providing such information does not mean and should not be interpreted to mean that the Company was obligated to comply with 29 C.F.R. § 1625.22(f).

21. Employee hereby affirms and acknowledges his continued obligations to comply with the post-termination covenants contained in his Employment Agreement, including but not limited to, the non-compete, trade secret and confidentiality provisions. Employee acknowledges that a copy of the Employment Agreement has been attached to this Agreement as Exhibit A **[B]** or has otherwise been provided to him and, to the extent not inconsistent with the terms of this Agreement or applicable law, the terms thereof shall be incorporated herein by reference. Employee acknowledges that the restrictions contained therein are valid and reasonable in every respect and are necessary to protect the Company's legitimate business interests. Employee hereby affirmatively waives any claim or defense to the contrary. Employee hereby acknowledges that the definition of Competitor, as provided in his Employment Agreement shall include but not be limited to those entities specifically identified in the updated Competitor List, attached hereto as Exhibit B **[C]**.

22. Employee acknowledges that the Company as well as its parent, subsidiary and affiliated companies ("Companies" herein) possess, and he has been granted access to, certain trade secrets as well as other confidential and proprietary information that they have acquired at great effort and expense. Such information includes, without limitation, confidential information regarding products and services, marketing strategies, business plans, operations, costs, current or, prospective customer information (including customer contacts, requirements, creditworthiness and like matters), product concepts, designs, prototypes or specifications, regulatory compliance issues, research and development efforts, technical data and know-how, sales information, including pricing and other terms and conditions of sale, financial information, internal procedures, techniques, forecasts, methods, trade information, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Companies' business (collectively referred to herein as "Confidential Information").

23. Employee agrees that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, Employee agrees not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party for as long thereafter as such information remains confidential (or as limited by applicable law) and agrees not to make use of any such Confidential Information for Employee's own purposes or for the benefit of any other entity or person. The Parties acknowledge that Confidential Information shall not include any information that is otherwise made public through no fault of Employee or other wrong doing.

24. On or before Employee's Effective Termination Date or per the Company's request, Employee agrees to return the original and all copies of all things in his possession or control relating to the Company or its business, including but not limited to any and all contracts, reports, memoranda, correspondence, manuals, forms, records, designs, budgets, contact information or lists (including customer, vendor or supplier lists), ledger sheets or other financial information, drawings, plans (including, but not limited to, business, marketing and strategic plans), personnel or other business files, computer hardware, software, or access codes, door and file keys, identification, credit cards, pager, phone, and any and all other physical, intellectual, or personal property of any nature that he received, prepared, helped prepare, or directed preparation of in connection with his employment with the Company. Nothing contained herein shall be construed to require the return of any non-confidential and de minimis items regarding Employee's pay, benefits or other rights of employment such as pay stubs, W-2 forms, 401(k) plan summaries, benefit statements, etc.

25. Employee hereby consents and authorizes the Company to deduct as an offset from the above-referenced severance payments the value of any Company property not returned or returned in a damaged condition as well as any monies paid by the Company on Employee's behalf (e.g., payment of any outstanding American Express bill).

26. Employee agrees to cooperate with the Company in connection with any pending or future litigation, proceeding or other matter which has been or may be brought against or by the Company before any agency, court, or other tribunal and concerning or relating in any way to any matter falling within Employee's knowledge or former area of responsibility. Employee agrees to immediately notify the Company, through the Office of the General Counsel, in the event he is contacted by any outside attorney (including paralegals or other affiliated parties) unless (i) the Company is represented by the attorney, (ii) Employee is represented by the attorney for the purpose of protecting his personal interests or (iii) the Company has been advised of and has approved such contact. Employee agrees to provide reasonable assistance and completely truthful testimony in such matters including, without limitation, facilitating and assisting in the preparation of any underlying defense, responding to discovery requests, preparing for and attending deposition(s) as well as appearing in court to provide truthful testimony. The Company agrees to reimburse Employee for all reasonable out of pocket expenses incurred at the request of the Company associated with such assistance and testimony.

27. Employee agrees not to make any written or oral statement that may defame, disparage or cast in a negative light so as to do harm to the personal or professional reputation of (a) the Company, (b) its employees, officers, directors or trustees or (c) the services and/or products provided by the Company and its subsidiaries or affiliate entities. The Parties acknowledge that nothing contained herein shall be construed to prevent or prohibit the Company or the Employee from providing truthful information in response to any court order, discovery request, subpoena or other lawful request.

28. **EMPLOYEE SPECIFICALLY AGREES AND UNDERSTANDS THAT THE EXISTENCE AND TERMS OF THIS AGREEMENT ARE STRICTLY CONFIDENTIAL AND THAT SUCH CONFIDENTIALITY IS A MATERIAL TERM OF THIS AGREEMENT.** Accordingly, except as required by law or unless authorized to do so by the Company in writing, Employee agrees that he shall not communicate, display or otherwise reveal any of the contents of this Agreement to anyone other than his spouse, legal counsel or financial advisor provided, however, that they are first advised of the confidential nature of this Agreement and Employee obtains their agreement to be bound by the same. The Company agrees that Employee may respond to legitimate inquiries regarding the termination of his employment by stating that the Parties have terminated their relationship on an amicable basis and that the Parties have entered into a Confidential Separation and Release Agreement that prohibits him from further discussing the specifics of his separation. Nothing contained herein shall be construed to prevent Employee from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in his Employment Agreement. Further, nothing contained herein shall be construed to limit or otherwise restrict the Company's ability to disclose the terms and conditions of this Agreement as may be required by business necessity.

29. In the event that Employee breaches or threatens to breach any provision of this Agreement, he agrees that the Company shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Employee hereby waives any claim that the Company has an adequate remedy at law. In addition, and to the extent not prohibited by law, Employee agrees that the Company shall be entitled to discontinue providing any additional Severance Benefits upon such breach or threatened breach as well as an award of all costs and attorneys' fees incurred by the Company in any successful effort to enforce the terms of this Agreement. Employee agrees that the foregoing relief shall not be construed to limit or otherwise restrict the Company's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Employee pursues any claims against the Company subject to the foregoing General Release, or breaches the above confidentiality provision, Employee agrees to immediately reimburse the Company for the value of all benefits received under this Agreement to the fullest extent permitted by law.

30. Similarly, in the event that the Company breaches or threatens to breach any provision of this Agreement, Employee shall be entitled to seek any and all equitable or other available relief provided by law, specifically including immediate and permanent injunctive relief. In the event Employee is required to file suit to enforce the terms of this Agreement, the Company agrees that Employee shall be entitled to an award of all costs and attorneys' fees incurred by him in any wholly successful effort (i.e. entry of a judgment in his favor) to enforce the terms of this Agreement. In the event Employee is wholly unsuccessful, the Company shall be entitled to an award of its costs and attorneys' fees.

31. Both Parties acknowledge that this Agreement is entered into solely for the purpose of terminating Employee's employment relationship with the Company on an amicable basis and shall not be construed as an admission of liability or wrongdoing by the Company or Employee, both Parties having expressly denied any such liability or wrongdoing.

32. Each of the promises and obligations shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.

33. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Agreement is severable and that, if any portion of this Agreement should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion or portions thereof should continue to be enforced to the fullest extent permitted by applicable law.

34. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana without regard to any applicable state's choice of law provisions.

35. **(USE THIS LANGUAGE IF OWBPA LANGUAGE (FOR EMPLOYEES AGE 40 OR OVER) IS NOT INCLUDED). Employee acknowledges that Employee has been offered a period of twenty-one (21) days within which to consider and review this Agreement; that Employee has carefully read and fully understands all of the provisions of this Agreement; and that Employee has entered into this Agreement knowingly and voluntarily.**

36. Employee represents and acknowledges that in signing this Agreement he does not rely, and has not relied, upon any representation or statement made by the Company or by any of the Company's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Agreement other than those specifically contained herein.

37. This Agreement represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in an Employee's Employment Agreement, any obligations contained in an existing and valid Indemnity Agreement or Change in Control or any obligation contained in any other legally-binding document), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

PLEASE READ CAREFULLY. THIS SEPARATION AND RELEASE AGREEMENT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Agreement on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

[EMPLOYEE]		COMPANY NAME	
Signed:	_____	By:	_____
Printed:	_____	Title:	_____
Dated:	_____	Dated:	_____

Exhibit B

ILLUSTRATIVE COMPETITOR LIST

The following is an illustrative, non-exhaustive list of Competitors with whom Employee may not, during his relevant non-compete period, directly or indirectly engage in any of the competitive activities proscribed by the terms of his Employment Agreement.

- Astral Industries, Inc.
- Aurora Casket Company, Inc.
- Goliath Casket, Inc.
- Milso Industries, Inc.
- Milso Industries, LLC
- New England Casket Company
- R and S Marble Designs
- Reynoldsville Casket Company
- Schuykill Haven Casket Company, Inc. (A division of The Haven Line Industries)
- SinoSource International, Inc.
- Thacker Caskets, Inc.
- The York Group (a division of Matthews International Corp.) and its distributors, including Warfield Rohr, Artco, Newmark and AJ Distribution
- The Victoriaville Group
- Wilbert Funeral Services, Inc.

While the above list is intended to identify the Company's primary competitors, it should not be construed as all encompassing so as to exclude other potential competitors falling within the Non-Compete definitions of "Competitor." The Company reserves the right to amend this list at any time in its sole discretion to identify other or additional Competitors based on changes in the products and services offered, changes in its business or industry as well as changes in the duties and responsibilities of the individual employee. An updated list will be provided to Employee upon reasonable request. Employees are encouraged to consult with the Company prior to accepting any position with any potential competitor.

EXHIBIT 31.1

CERTIFICATIONS

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kenneth A. Camp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hillenbrand, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2008

/S/ Kenneth A. Camp

Kenneth A. Camp
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Cynthia L. Lucchese certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hillenbrand, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2008

/S/ Cynthia L. Lucchese

Cynthia L. Lucchese
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hillenbrand, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth A. Camp, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ Kenneth A. Camp

Kenneth A. Camp
President and Chief Executive Officer
August 12, 2008

A signed original of this written statement required by Section 906 has been provided to Hillenbrand, Inc. and will be retained by Hillenbrand, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hillenbrand, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cynthia L. Lucchese, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ Cynthia L. Lucchese

Cynthia L. Lucchese
Senior Vice President and Chief Financial Officer
August 12, 2008

A signed original of this written statement required by Section 906 has been provided to Hillenbrand, Inc. and will be retained by Hillenbrand, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.