

HILLENBRAND, INC.

Creating Shareholder Value

Disclosure regarding forward-looking statements

Throughout this presentation, we make a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. As the words imply, forward-looking statements are statements about the future, as contrasted with historical information. Our forward-looking statements are based on assumptions and current expectations of future events that we believe are reasonable, but by their very nature they are subject to a wide range of risks. If our assumptions prove inaccurate or unknown risks and uncertainties materialize, actual results could vary materially from Hillenbrand's expectations and projections.

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

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

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 what is described in the forward-looking statements. These factors include, but are not limited to: recent global market and economic conditions, including those related to the credit markets; volatility of our investment portfolio; adverse foreign currency fluctuations; ongoing involvement in claims, lawsuits and governmental proceedings related to operations; labor disruptions; our ability to continue the successful integration of the Process Equipment Group; the dependence of our business units on relationships with several large national providers; increased costs or unavailability of raw materials; continued fluctuations in mortality rates and increased cremations; competition from nontraditional sources in the funeral services business; our ongoing antitrust litigation; cyclical demand for industrial capital goods; and certain tax-related matters.

Additional risk factors include, but are not limited to: the occurrence of any event, change or other circumstance that could result in the termination of the purchase agreement with ROTEX Global, LLC and ROTEX Holdings, LLC; the outcome of any legal proceedings that may be instituted against Hillenbrand, ROTEX or others following announcement of the acquisition; the inability to satisfy the conditions to complete the acquisition (or to complete the acquisition on a timely basis), including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act; risks that the proposed acquisition disrupts current operations or poses potential difficulties in employee retention or otherwise affects financial or operating results; the inability to recognize the benefits of the acquisition, including potential synergies and cost savings or the failure of the acquired company to achieve its plans and objectives generally; and legislative, regulatory and economic developments.

For a more in-depth discussion of these and other factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading "Risk Factors" in item 1A of Hillenbrand's Annual Report on Form 10-K for the year ended September 30, 2010, filed with the Securities and Exchange Commission (SEC) November 23, 2010. Hillenbrand assumes no obligation to update or revise any forward-looking information as a result of new information or future events or developments.

Agenda

- Hillenbrand Profile
- Batesville Overview
- Process Equipment Group Overview
- Financial Results



Hillenbrand Profile

HILLENBRAND, INC.

Why invest in Hillenbrand now?

Strong Core Businesses

- Strong balance sheet, steady profitable growth and reliable, robust cash flow
- Two business platforms with attractive margins, solid bottom-line results and multiple runways for growth
- The Process Equipment Group complements Batesville's predictable business and cash generation capabilities by providing diversification and significant growth opportunities

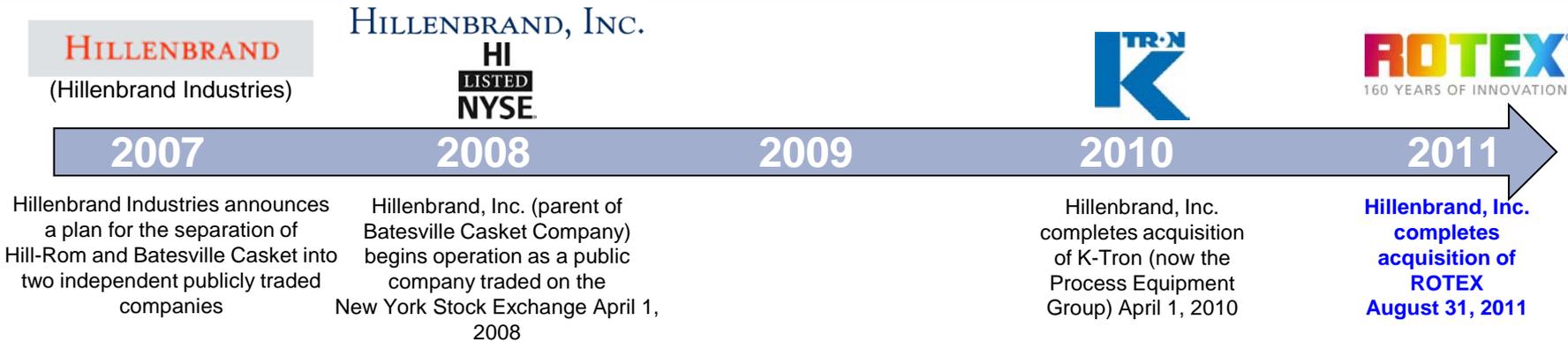
History and Culture of Execution

- Proven, results-oriented management team with operational, public company and acquisition experience
- Strong core competencies in lean business, evidenced by a history of continuous improvement
- Long track record of increasing revenues, maintaining high margins and generating substantial cash flow

Strategy Focused on Increasing Shareholder Value

- Balance sheet strength and robust cash flow allow us to leverage core competencies for growth through acquisitions
- Acquisition strategy that emphasizes diversification and continued profitable growth
- Meaningful return of cash to shareholders, including above-average dividend payout ratio

Who is Hillenbrand?



Batesville

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



Process Equipment Group

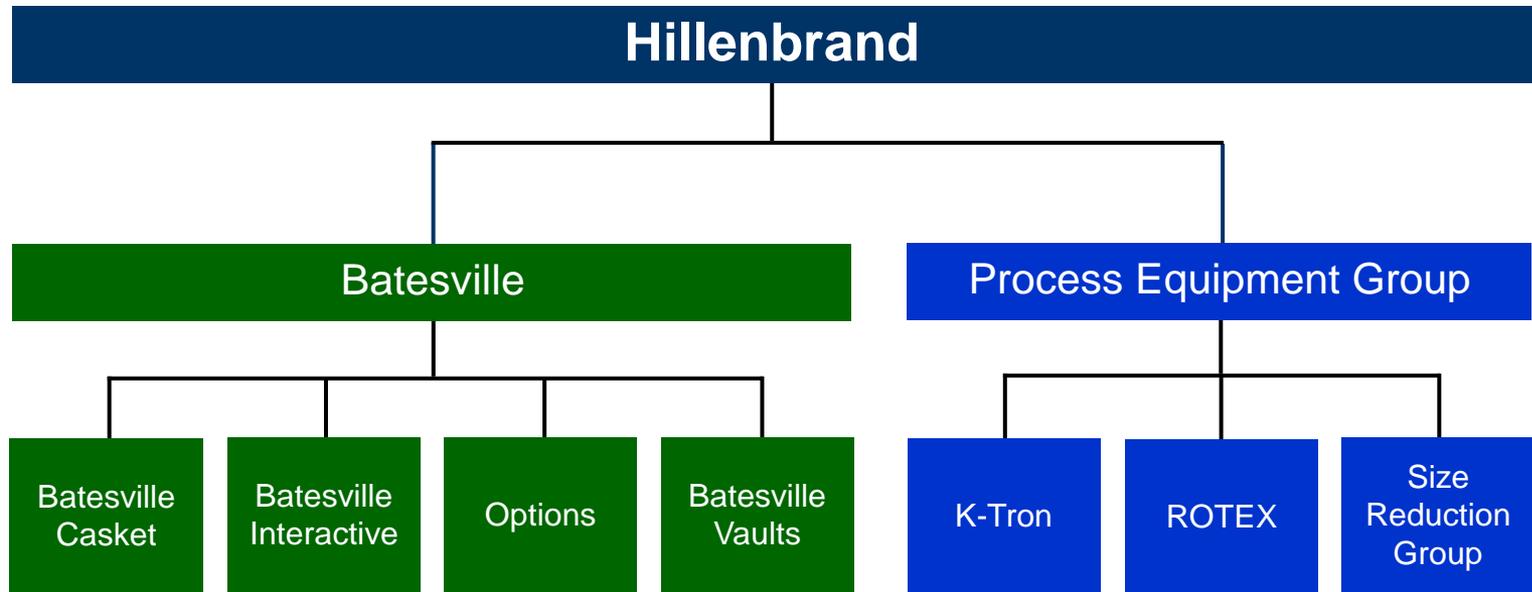
- Leading global providers of bulk solids material handling equipment and systems for a wide variety of manufacturing and other industrial processes
- Serves customers through three operating companies:
 - ✓ K-Tron – Feeding and pneumatic conveying equipment, parts and services
 - ✓ Size Reduction Group – Size reduction equipment, conveying systems and screening equipment, parts and services
 - ✓ ROTEX – Dry material separation machines and replacement parts and accessories



**Size
Reduction
Group**



*Hillenbrand has two business platforms:
Batesville and the Process Equipment Group*



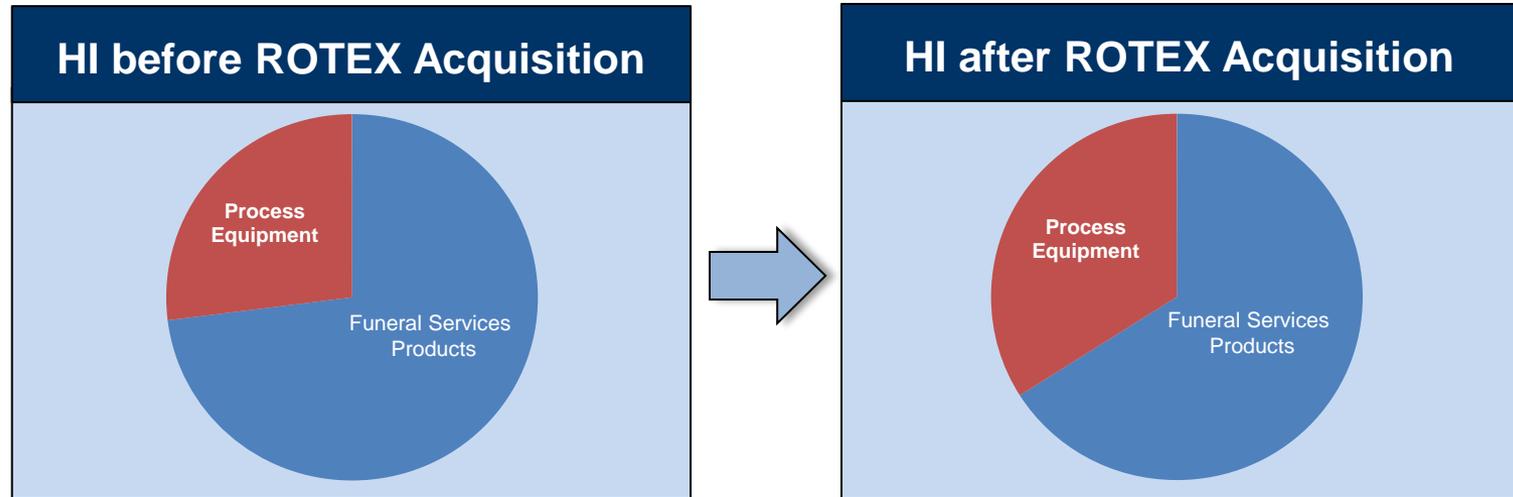
Growth strategy focuses on creating shareholder value

Leverage our strengths and core competencies to diversify and grow profitably

- Batesville's strong and predictable cash flow provides funds for long-term growth and diversification through acquisitions
- K-Tron and ROTEX acquisitions (Process Equipment Group Platform) have provided diversified growth and attractive margins
- Criteria for future acquisition candidates include:
 - ✓ Attractive margins, strong cash generation and multiple pathways for growth
 - ✓ Strong brand in its defined space
 - ✓ Talented, proven management with close customer relationships
 - ✓ Robust sales and marketing capabilities
 - ✓ Strong cultural fit with Hillenbrand
 - ✓ Ability to benefit from our core competencies and share its own competitive strengths



We continue to diversify



- Batesville's end markets include caskets and other funeral services products
- Process Equipment Group's end markets (including ROTEX) include:
 - ✓ plastics compounding and base resin manufacturing
 - ✓ food processing
 - ✓ pharmaceutical and chemical processing
 - ✓ coal and minerals mining
 - ✓ coal-fired power generation
 - ✓ pulp, paper and forest products processing
 - ✓ biomass energy generation
 - ✓ agricultural processing
 - ✓ frac sand applications



Batesville Overview

HILLENBRAND, INC.

Batesville market conditions

We continue to post steady results in an evolving industry

Burial Demand

- The number of deaths remains relatively flat
- The number of cremations increases steadily, at a long-term upward trend of approximately 120-140 basis points per year
- As a result, burial demand continues its slow decline in the near term

Industry Dynamics

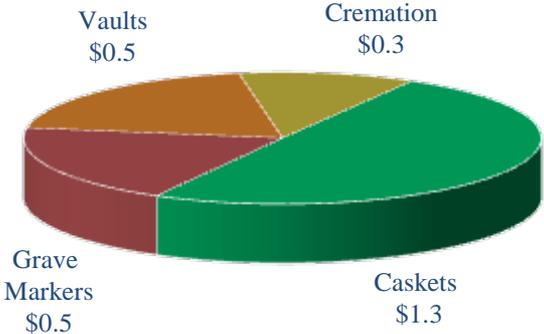
- Industry felt pressures in pricing, volume and mix
- Industry consolidation and aggressive sales tactics, especially in the lower tiers, have continued to drive a highly competitive environment
- Batesville has maintained stable average selling price through successful sales programs, growth strategies and operational efficiencies across the supply chain

Cost Components

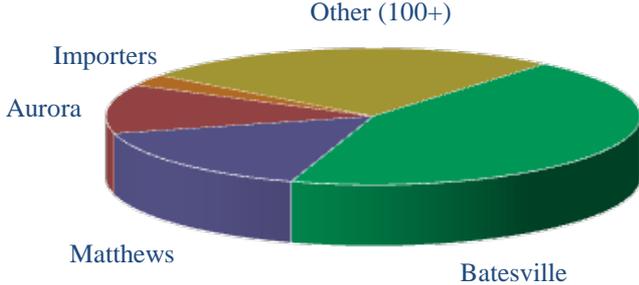
- We maintain attractive margins
 - ✓ Leverage our high-velocity distribution system
 - ✓ Focus on lean business practices to improve the cost structure
- Commodity prices, particularly for steel and fuel, are volatile

Batesville is the leading player in the largest segment of the funeral services industry

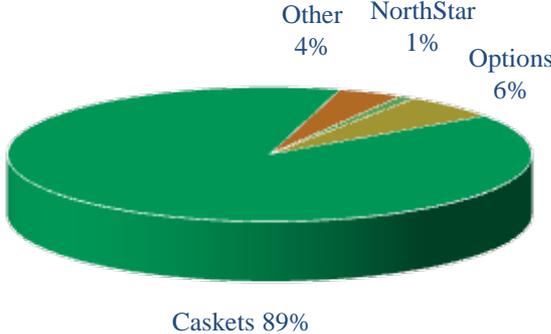
Funeral Products
(**\$2.6 Billion Industry**)



Caskets
(**Total Revenue \$1.3 Billion**)



Batesville Casket
(**Total 2010 Revenue: \$640 Million**)



Source: Company estimates and public filings for FY2010

Batesville Casket commands a premium as the industry's most respected brand

Brands	
Product Lines	Caskets, Cremation Products, Vaults, Websites
Sample Products	

World's Largest Casket Manufacturer

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

Unparalleled Commitment

- Top-quality product manufacturer
- Exceptional service provider
- Innovation leader
- Highly valued business partner

Batesville focuses on 3 key strategies

Optimize the casket business, capitalize on growth opportunities, improve margin

Optimize the Profitable Casket Business



New Product Development



Merchandising/Sales

Capitalize on Growth Opportunities



Options Cremation Products



Batesville Interactive



Endura Burial Vaults

Improve Margin



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



Process Equipment Group Overview

HILLENBRAND, INC.

The Process Equipment Group

Strong growth potential in both industries and geographies



Strong Historical Results

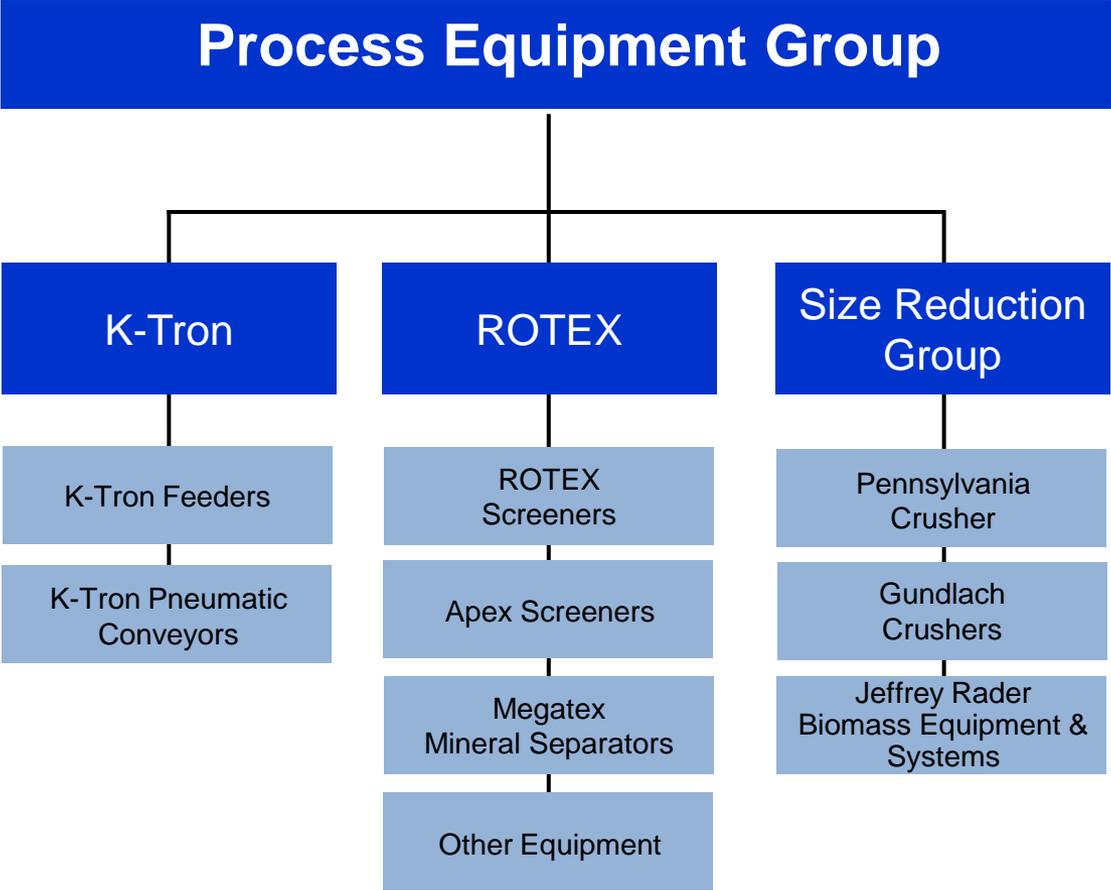
- History of >20 percent revenue growth (2003-2008), half organic and half through acquisition
- Strong, consistent gross profit margins, operating margins and cash flow
- Highly diversified customers, geographies and end markets
- Global presence
- Proven management team
- Ability to benefit from our core competencies
- Similar culture with Batesville
- Provides multiple growth opportunities and diversification



Growth Initiatives

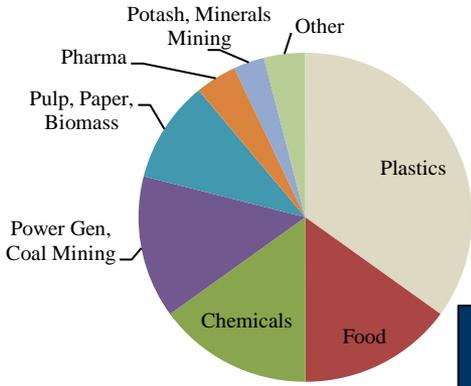
- Strong growth component complements Batesville's solid foundation
- Most significant initiative is global expansion
 - ✓ *China*: Coal-fired electricity generation, plastics and food processing
 - ✓ *Russia*: Potash and coal mining
- Opportunities exist for providing integrated material handling systems solutions
- Developing skills in lean business process to eliminate waste, reduce costs, improve margins, shorten time to market

Structure of the Process Equipment Group

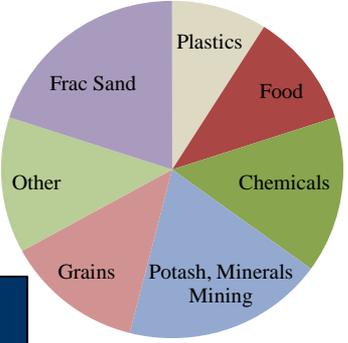


Process Equipment Group diversifies with ROTEX, which serves 8 end markets in 38 SIC codes

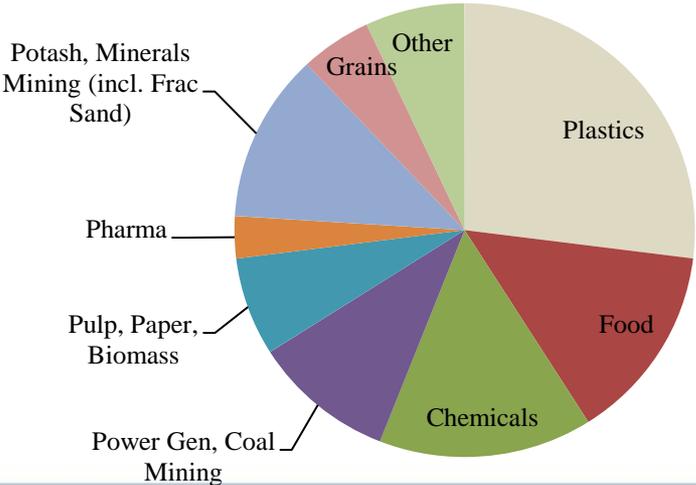
Process Equipment Group before ROTEX Acquisition



ROTEX



Process Equipment Group after ROTEX Acquisition



K-Tron Overview

Global leader in feeding and conveying equipment and components

	K-Tron
Brands	 
Product Lines	Feeding and Conveying Equipment and Components
Sample Products	

- Leader in providing single-source bulk solids material handling solutions and technology
- Deep institutional knowledge of the science of bulk solids material and their properties
- Accurate feeding of “hard-to-handle” materials into a wide variety of manufacturing processes
- Conveys bulk solids through customized pneumatic conveying equipment and systems
- Original equipment typically 70-75 percent of sales; parts and services 25-30 percent

K-Tron growth potential

Well-positioned to take advantage of new markets and technologies

- New product development, with focus on faster time to market
- Growing opportunities in Chinese domestic plastics compounding industry
- Economic recovery in emerging Eastern Europe and Russia markets
- Expansion of K-Tron Premier into EMEA/Asia through existing distribution network
- Acquisitions of leading brands that complement current product lines
- Single-source integrated material handling systems solutions

K-Tron Feeder blending before packaging



Size Reduction Group Overview

Leader in equipment for power generation, mining, wood processing

Size Reduction Group

Brands

Pennsylvania
Crusher 

JEFFREY RADER
UNITED STATES CANADA SWEDEN

GUNDLACH

Product
Lines

Size Reduction Components and
Equipment

Sample Products



- Industry leaders providing the power generation, mining and forest products industries with crushers and other material handling equipment
- Brands with decades of industry experience and long-term customer retention
- More than 60 percent of revenue generated from the sale of highly profitable replacement parts
- Broad market coverage with minimal market overlap between companies

Size Reduction Group growth potential

Poised for significant growth on a global scale

- China and India coal power and coal mining markets continue to expand dramatically
- Growth in mineral mining for food production
- Worldwide interest in biomass energy projects continues to grow
- Economic recovery will increase power demand and parts sales
- Improving pulp prices are providing a rebound for capital equipment and replacement parts
- Businesses with complementary product lines or access to other niche markets represent acquisition opportunities

PCC Reversible Hammertmill



ROTEX Overview

Diverse machines, large installed base drive recurring parts revenue

ROTEX	
Brands	<ul style="list-style-type: none">• ROTEX• Apex• Minerals Separator/Megatex
Product Lines	Dry material separation machines, replacement parts and accessories
Sample Products	

Differentiating Characteristics:

- Unique motion and design features
- Deep applications knowledge
- Comprehensive service before, during and after sale
- Value proposition formed on yield, on-spec quality and up-time
- Low cost to total value, but high cost of failure to customer

ROTEX growth potential

Targeting of key, fast growing end markets

- Global population growth and expanding middle class will drive demand for food and energy
- Targeted expansion in attractive global markets, including Europe, Russia, Latin America and China
- Focus on increasing share of global replacement parts
- New targeted applications for machines

ROTEX



Apex



Megatex





Financial Overview

HILLENBRAND, INC.

Hillenbrand 2010 Financials

Net revenue up 15%; Adj. net income up 8%; Adj. EPS up 7%; Adj. EBITDA up 12%

- K-Tron acquisition April 1 drove increases in revenue, gross profit and EBITDA
- Acquisition-related costs affected operating expenses, net income, EPS and cash flow
- Issued 10-year, \$150 million public notes in July at 5.5 percent coupon rate.
- Batesville maintained solid earnings and stable cash flow.
- K-Tron recorded strong sales and increased backlog in six months with Hillenbrand.

FISCAL YEAR ENDED SEPTEMBER 30		
\$ IN MILLIONS (except EPS)	2010	2009
Net Revenue <i>% Y/Y Growth</i>	\$749 15.4%	\$649 (4.3%)
Gross Profit (Adjusted)* <i>% of Revenue</i>	\$325 43.4%	\$274 42.2%
Operating Expenses (Adjusted)* <i>% of Revenue</i>	\$160 21.4%	\$117 18.0%
EBITDA (Adjusted)* <i>% of Revenue</i>	\$191 25.5%	\$170 26.2%
Net Income (Adjusted)*	\$112	\$104
EPS (Adjusted)*	\$1.80	\$1.68
Cash Flows from Operations	\$118	\$123

* See appendix for reconciliation between GAAP and adjusted balances for the years ended September 30, 2010 and 2009

Hillenbrand 3Q YTD 2011 Financials

Batesville provides consistent results; Process Equipment Group adds growth

- Hillenbrand continues to generate strong and steady cash flow
- Robust results from the Process Equipment Group
 - ✓ Revenue up 28% vs. the same period (reported separately) in the prior year up 233% in Hillenbrand results
 - ✓ Backlog grew 19% (sequentially from 2Q11) to \$94 million
- HI steadily increases dividend with a high payout ratio and attractive yield

Nine Months ended June 30		
	2011	2010
\$ IN MILLIONS (except EPS)		
Net Revenue % Y/Y Growth	\$652 21.4%	\$537 8.3%
Gross Profit (Adjusted)* % of Revenues	\$279 42.8%	\$236 43.9%
Operating Expenses (Adjusted)* % of Revenue	\$151 23.2%	\$112 20.9%
EBITDA (Adjusted)* % of Revenue	\$156 23.9%	\$144 26.8%
Net Income (Adjusted)*	\$85	\$87
EPS (Adjusted)*	\$1.36	\$1.40
Cash Flows from Operations**	\$155	\$117

* See appendix for reconciliation between GAAP and adjusted

** \$60 million is from interest on early collection of the Forethought note

Why invest in Hillenbrand now?



Strong Core Businesses

- Strong balance sheet, steady profitable growth and reliable, robust cash flow
- Two business platforms with attractive margins, solid bottom-line results and multiple runways for growth
- The Process Equipment Group complements Batesville's predictable business and cash generation capabilities by providing diversification and significant growth opportunities



History and Culture of Execution

- Proven, results-oriented management team with operational, public company and acquisition experience
- Strong core competencies in lean business, evidenced by a history of continuous improvement
- Long track record of increasing revenues, maintaining high margins and generating substantial cash flow



Strategy Focused on Increasing Shareholder Value

- Balance sheet strength and robust cash flow allow us to leverage core competencies for growth through acquisitions
- Acquisition strategy that emphasizes diversification and continued profitable growth
- Meaningful return of cash to shareholders, including above-average dividend payout ratio

Questions?

HILLENBRAND, INC.



Appendix

HILLENBRAND, INC.

Disclosure regarding non-GAAP measures

While we report financial results in accordance with accounting principles generally accepted in the United States (GAAP), we also provide a non-GAAP measure, Earnings Before Interest, Income Tax, Depreciation, and Amortization (EBITDA). We have previously discussed our strategy to prudently acquire selected manufacturing businesses that have a record of success and could benefit from our core competencies to spur faster and more profitable growth. Given that strategy, it is a natural consequence to incur related expenses such as amortization from acquired intangible assets and additional interest expense from debt-funded acquisitions. Accordingly, we use EBITDA, among other measures, to monitor our business performance. While EBITDA is not in accordance with, nor is it a substitute for, a GAAP measure, we believe it enables investors to better understand the ongoing operating performance of the Company. Investors should consider non-GAAP measures in addition to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

Hillenbrand financials

YTD2011 GAAP net income to adjusted EBITDA reconciliation (unaudited)

(amounts in millions, except per share data)

	Nine Months Ended June 30,	
	2011	2010
GAAP net income	\$ 82.6	\$ 72.2
Interest income	(7.2)	(9.9)
Interest expense	8.3	1.5
Income tax expense	43.2	41.3
Depreciation and amortization	26.0	19.5
EBITDA	152.9	124.6
Antitrust litigation	1.3	1.9
Inventory step-up	—	11.6
Business acquisition	1.7	10.0
Sales tax adjustment	(0.7)	(4.1)
Restructuring	0.7	—
EBITDA – adjusted	\$ 155.9	\$ 144.0

Hillenbrand financials

2010 GAAP net income to adjusted EBITDA reconciliation (unaudited)

(amounts in millions)

	Fiscal Year Ending Sept. 30,	
	2010	2009
GAAP net income	\$ 92.3	\$ 102.3
Interest income	(13.0)	(14.1)
Interest expense	4.2	2.1
Income tax expense	54.1	58.5
Depreciation and amortization	28.2	18.5
EBITDA	165.8	167.3
Certain non-operating costs:		
Antitrust litigation	5.0	2.2
Acquisition accounting	13.3	—
Acquisition costs	10.5	—
Sales tax adjustment	(4.7)	—
Airport restructuring	3.0	—
Separation costs	—	0.1
Depreciation and amortization included in acquisition acctg.	(1.7)	—
Adjusted EBITDA	<u>\$ 191.2</u>	<u>\$ 169.6</u>

* Management believes that earnings before interest, taxes, depreciation and amortization (EBITDA) is a useful measure for providing additional insight into the company's operating performance.

Hillenbrand financials

YTD2011 GAAP net income to adjusted net income reconciliation (unaudited)

(amounts in millions, except per share data)

	Nine Months Ended June 30,	
	2011	2010
GAAP net income	\$ 82.6	\$ 72.2
Antitrust litigation	1.3	1.9
Inventory & backlog step-up	—	13.3
Business acquisition	1.7	10.0
Sales tax adjustment	(0.7)	(4.1)
Restructuring	0.7	—
Income tax on adjustments	(1.0)	(6.3)
Net income – adjusted	<u>\$ 84.6</u>	<u>\$ 87.0</u>
EPS – adjusted	\$ 1.36	\$ 1.40

Hillenbrand financials

2010 GAAP net income to adjusted net income reconciliation (unaudited)

(amounts in millions, except per share data)

	Fiscal Year Ended September 30,	
	2010	2009
GAAP net income	\$ 92.3	\$ 102.3
Antitrust litigation	5.0	2.2
Non-recurring effects of acquisition accounting	13.3	-
Business acquisition costs	10.5	-
Sales tax adjustment	(4.7)	-
Restructuring costs	3.0	-
Separation costs		0.1
Income tax on adjustments	(7.8)	(0.8)
Net Income - adjusted	<u>\$ 111.6</u>	<u>\$ 103.8</u>
EPS - adjusted	\$ 1.80	\$ 1.68