
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **September 30, 2015**

HILLENBRAND, INC.

(Exact Name of Registrant as Specified in Charter)

Indiana

(State or Other Jurisdiction of
Incorporation)

1-33794

(Commission File Number)

26-1342272

(IRS Employer Identification No.)

One Batesville Boulevard

Batesville, Indiana

(Address of Principal Executive Office)

47006

(Zip Code)

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

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

A copy of presentation slides to be used by Hillenbrand, Inc. (the “Company”) in investor presentations beginning September 30, 2015, is attached as Exhibit 99.1 to this Current Report on Form 8-K. These presentation slides are also available on the Company’s website under “Investor Relations” at www.hillenbrand.com.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (“Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with accounting principles generally accepted in the U.S. (GAAP), we also provide non-GAAP operating performance measures. These non-GAAP measures are referred to as “adjusted” and exclude expenses associated with backlog amortization, inventory step-up, business acquisition and integration, restructuring, and antitrust litigation. The related income tax for all of these items is also excluded. This non-GAAP information is provided as a supplement, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

One important non-GAAP measure that we use is Adjusted Earnings Before Interest, Income Tax, Depreciation, and Amortization (“Adjusted EBITDA”). As previously discussed, a part of our strategy is to selectively acquire companies that we believe can 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 Adjusted EBITDA, among other measures, to monitor our business performance.

Another important non-GAAP measure that we use is backlog. Backlog is not a term recognized under GAAP; however, it is a common measurement used in the Process Equipment Group industry. Our backlog represents the amount of consolidated revenue that we expect to realize on contracts awarded related to the Process Equipment Group. Backlog includes expected revenue from large systems, equipment, and to a lesser extent, replacement parts, components, and service.

We use this non-GAAP information internally to make operating decisions and believe it is helpful to investors because it allows more meaningful period-to-period comparisons of our ongoing operating results. The information can also be used to perform trend analysis and to better identify operating trends that may otherwise be masked or distorted by these types of items. Finally, the Company believes such information provides a higher degree of transparency.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Presentation Slides

Disclosure Regarding Forward-Looking Statements

Throughout this presentation, we make a number of “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. As the words imply, these are statements about future plans, objectives, beliefs, and expectations that might or might not happen in the future, as contrasted with historical information.

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

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

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

Other words that could indicate we’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 is not an exhaustive list, but is 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.

For a discussion of factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading “Risk Factors” in Item 1A of Part I of our Form 10-Q for the period ended June 30, 2015, located on our website and filed with the SEC. We assume no obligation to update or revise any forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HILLENBRAND, INC.

DATE: September 30, 2015

BY: /S/ John R. Zerkle
John R. Zerkle
Senior Vice President,
General Counsel and Secretary



Disclosure regarding forward-looking statements

Forward-Looking Statements and Factors That May Affect Future Results:

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Hillenbrand (NYSE: HI)

FY 2014 Revenue ~ \$1.7 B

Free Cash Flow = \$156 M*

Dividend Yield = 2.7%**

Dividend paid consecutively since inception in 2008; Increased every year since

FY 2014 Revenue Mix



Building a world-class global diversified industrial company

* See Appendix for reconciliation

** Dividend Yield as of market close 8/16/2015

2015 Hillenbrand

Hillenbrand's strategy is focused on three key areas

➤➤➤ **Develop Hillenbrand into a world-class global diversified industrial company**

- Two platforms with market leading brands
- ~\$1 billion in Acquisitions since 2010

➤➤➤ **Leverage our strong financial foundation and the Hillenbrand Operating Model**

- Deliver sustainable profit growth
- Expand revenue
- Maintain substantial free cash flow

➤➤➤ **Reinvest this cash in new growth initiatives, both organic and inorganic, that create shareholder value**

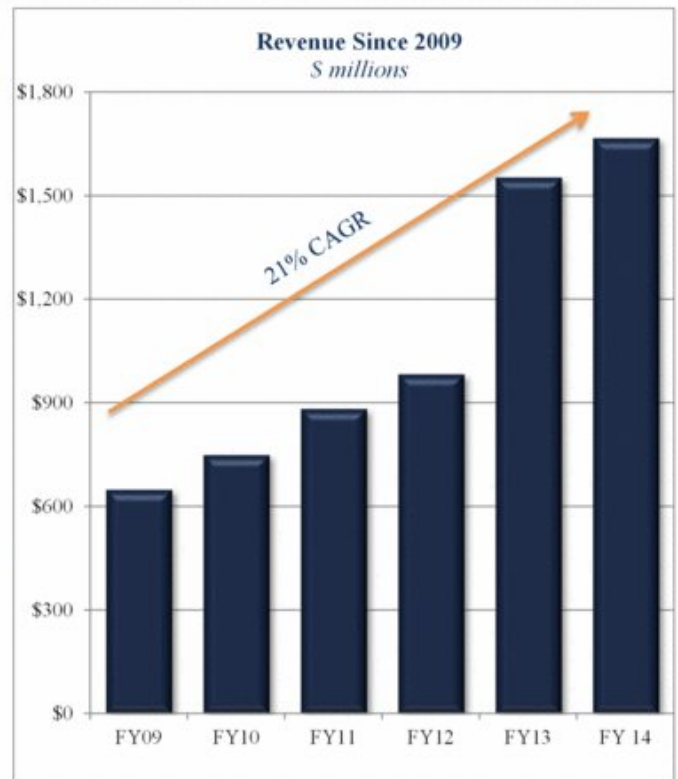
- Highly engineered, mission critical niche products
- Market leaders with strong recurring revenue

Hillenbrand is a growing global diversified industrial company

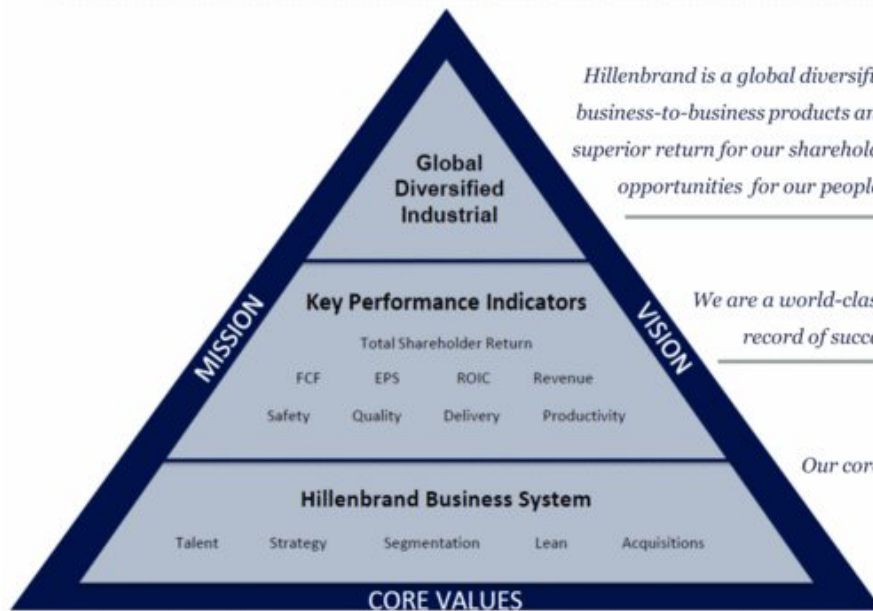
 <p>confidence through partnership (K-Tron merged with Coperion effective 10/1/2013)</p>  	Process Equipment Group <ul style="list-style-type: none"> Multiple pathways/end markets for growth Diversified revenue sources Parts and service revenue ~ 1/3 of total and growing
	Batesville <ul style="list-style-type: none"> Historical Adj EBITDA* margin > 25% Strong, predictable cash flow

*See Appendix for reconciliation

2015 Hillenbrand



The Hillenbrand Operating Model drives our continued transformation into a world-class global diversified industrial company



Mission

Hillenbrand is a global diversified industrial company that engineers, manufactures, and sells business-to-business products and services into a variety of end markets. We strive to provide a superior return for our shareholders, exceptional value for our customers and great professional opportunities for our people through deployment of the Hillenbrand Operating Model.

Vision

We are a world-class, global diversified industrial company with a proven record of success – driven by the Hillenbrand Operating Model.

Core Values

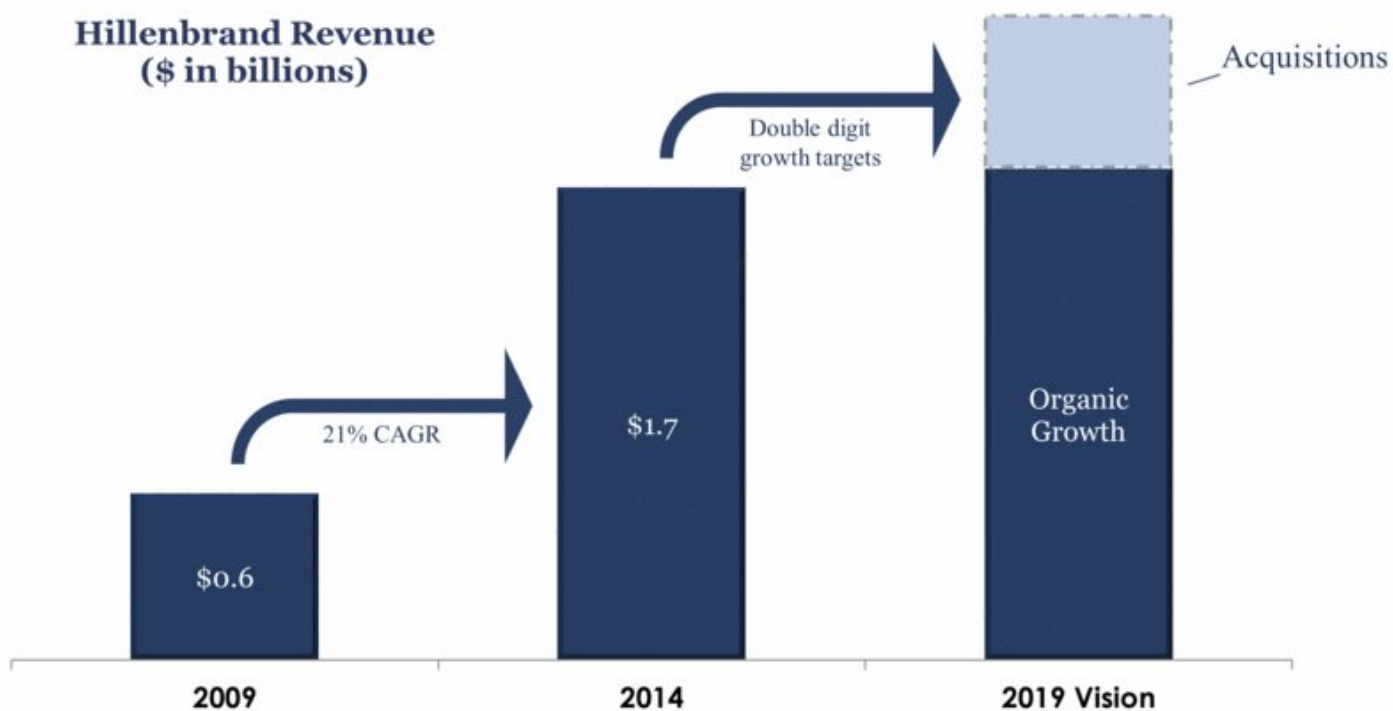
Our core values apply to each of us in all we do:

- Individual worth and integrity
- Excellence in execution
- Spirit of continuous learning and improvement
- Courage

Hillenbrand Operating Model

We drive profitable growth through the Hillenbrand Operating Model

We expect continued growth both organically and through acquisition



HILLENBRAND

Process Equipment Group



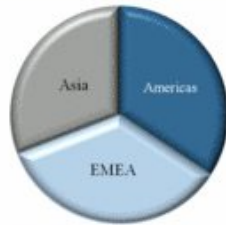
Our Process Equipment Group companies manufacture mission critical world-class industrial equipment...

<p>Coperion</p> <p>(K-Tron merged with Coperion effective 10/1/2013)</p>	<ul style="list-style-type: none"> • Compounders and extruders • Materials handling equipment • Feeders and components • System solutions • Service and parts 	
<p>Rotex</p>	<ul style="list-style-type: none"> • Separating equipment • Sizing equipment • Service and parts 	
<p>TerraSource Global</p>	<ul style="list-style-type: none"> • Crushers • Materials handling equipment • Service and parts 	

... and have attractive fundamentals

- Balanced geographic diversification
- Stable revenue and attractive margins from parts and service business
- Highly diversified customer base with a strong history of long-term relationships with blue-chip customers
- Proven products with substantial brand value and recognition, combined with industry-leading applications and engineering expertise

Revenue Mix by Geography*



Revenue Mix by Type*



Sampling of Blue Chip Customer Mix



PEG Brands

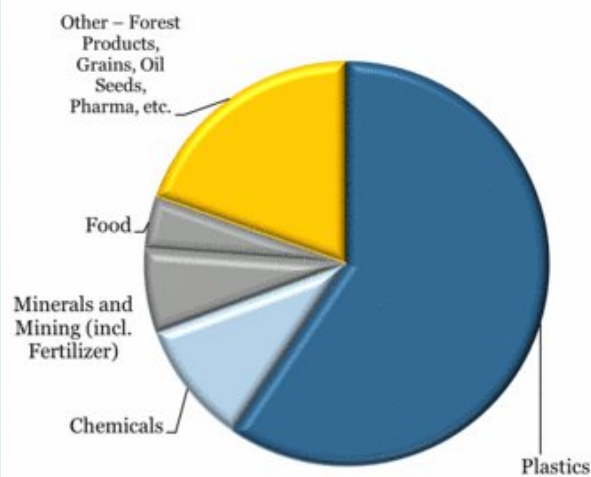


* FY 2014

2015 Hillenbrand

Process Equipment Group is diversified across a broad range of attractive niche end markets that benefit from megatrends...

Attractive, growing niche end markets



* FY 2014 Company Estimate

Megatrends driving growth

- Growing global population
- Rapidly expanding middle class
- Rising demand for food and energy



... and the strategy focuses on organic and inorganic growth

➤➤➤➤ **Focus on key niche high-growth markets with strong growth potential**

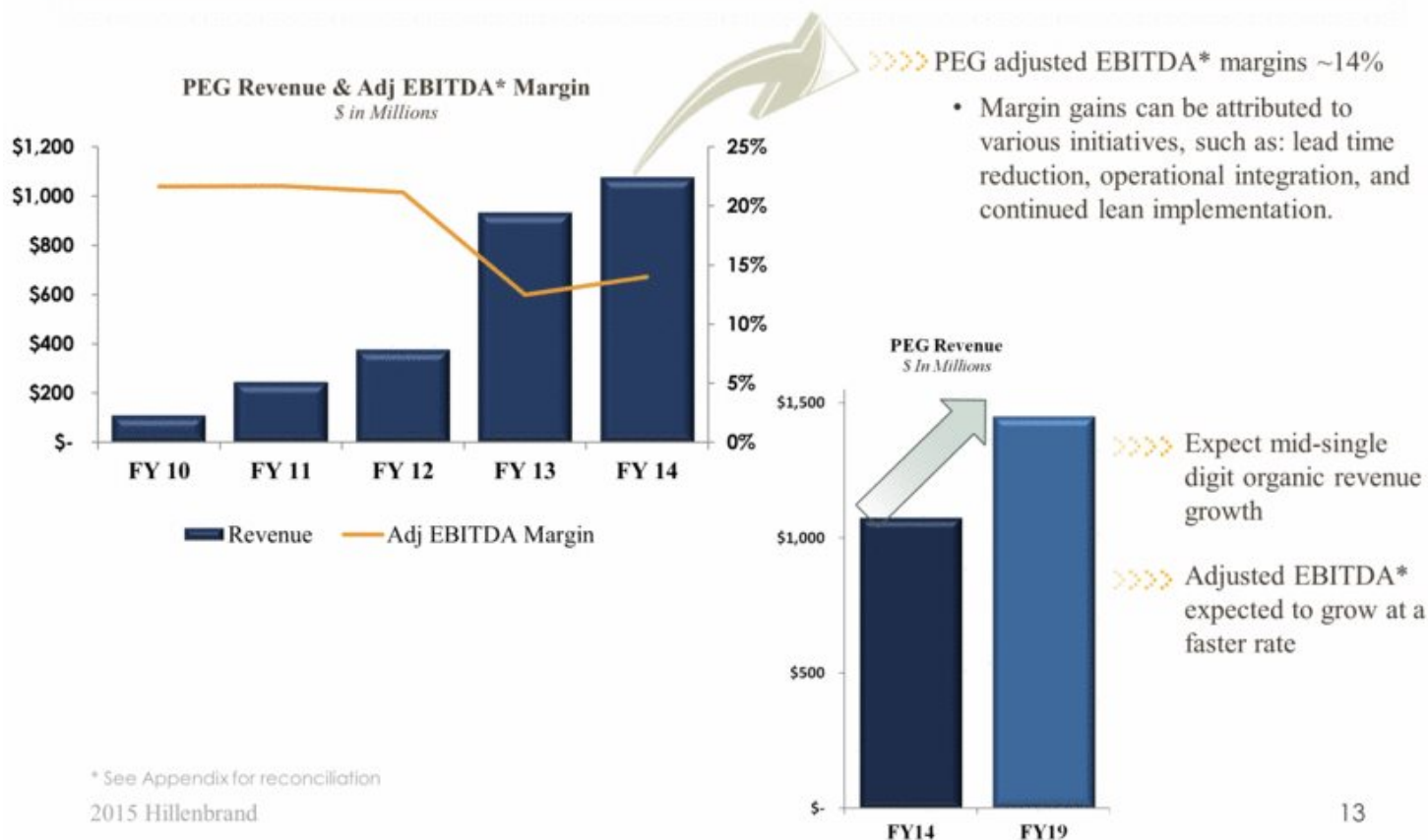
- Engineered Plastics
- Fertilizer
- Water/Wastewater
- Petrochemicals
- Processed Food
- Recycling

➤➤➤➤ **Establish scope and scale to accelerate global growth**

- Improve access to underpenetrated geographies
 - China
 - Russia
 - India
 - Latin America

➤➤➤➤ **Margin expansion through the implementation of the Hillenbrand Operating Model**

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



HILLENBRAND

Announces ABEL Acquisition



The ABEL acquisition advances the Hillenbrand strategy

Transaction Description	<ul style="list-style-type: none">▪ Hillenbrand to acquire ABEL for 95€ million in cash▪ ABEL designs and manufactures energy-efficient positive displacement pumps▪ TTM (ended 7/31/15) revenue of €30 million; EBITDA of €8 million
Transaction Consideration	<ul style="list-style-type: none">▪ All-cash transaction purchase price of €95 million funded under Hillenbrand's \$700 million credit revolver
Strategic Fit	<ul style="list-style-type: none">▪ ABEL will be part of the Process Equipment Group▪ Highly engineered equipment for niche markets▪ Robust parts and service revenue component▪ Provides entry into the flow control space, which has very attractive market dynamics
Financial Impact	<ul style="list-style-type: none">▪ ABEL is a highly profitable business with a low asset base that generates significant cash▪ Accretive to earnings in 2016, net of transition costs
Closing	<ul style="list-style-type: none">▪ Deal is expected to close in early October

ABEL is a growing, high margin business

Pumping Solutions

- ~30% of revenue



Pumps

- ~20% of revenue



Parts and Services

- ~ 50% of revenue

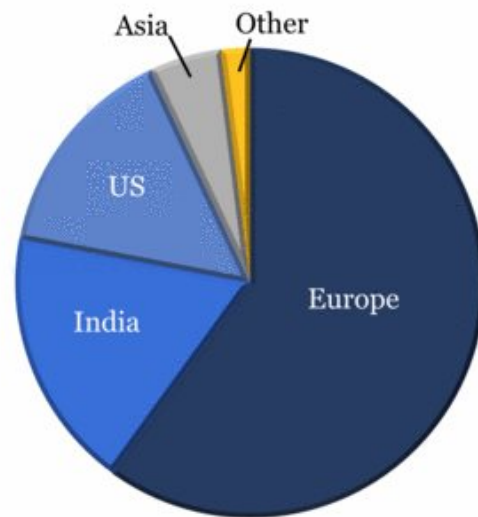


ABEL has attractive end markets and is geographically positioned for growth

Key End Markets



Geographic Revenue Sources

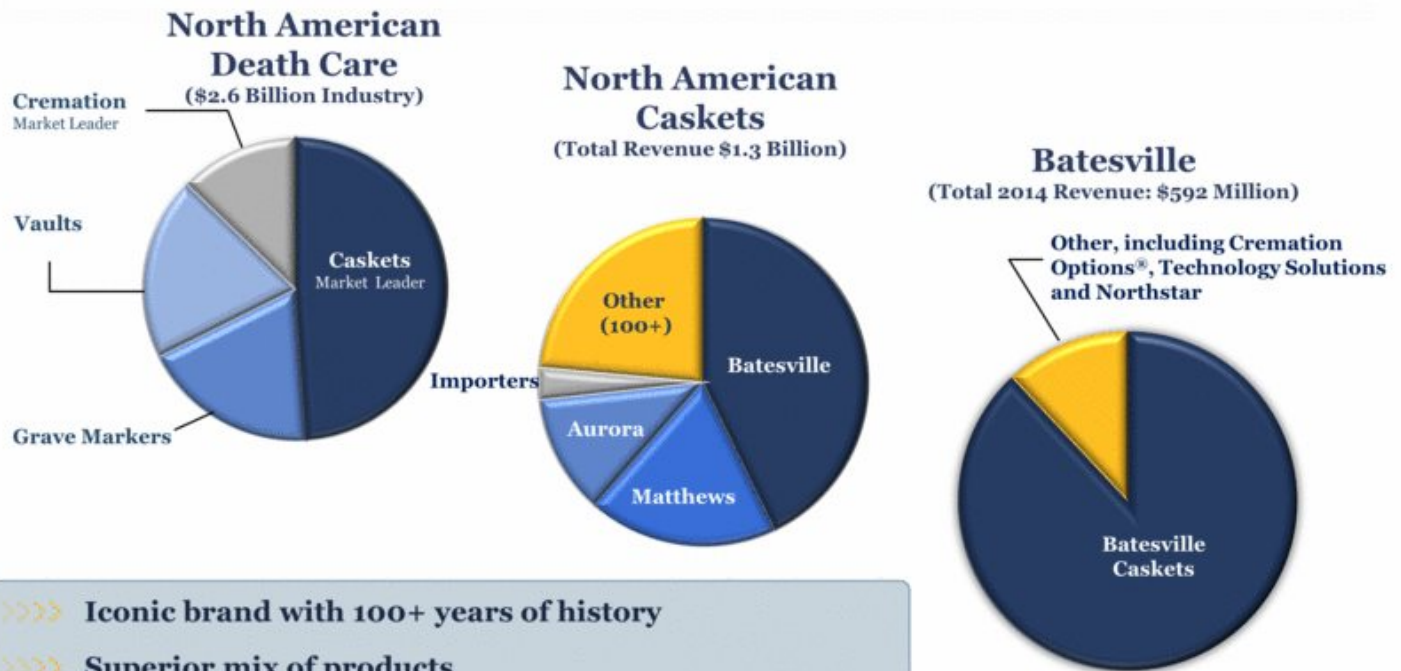


HILLENBRAND

Batesville



Batesville is the industry leader in the largest and most profitable segment of the North American death care industry



- Iconic brand with 100+ years of history
- Superior mix of products
- Industry leader in volume, revenue and margin share

Source: Company estimates, industry reports and public filings for FY 2014
2015 Hillenbrand

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

Optimize the Profitable Casket Business

- Build and deliver value propositions aligned to customer needs
- Merchandising and consultative selling
- New product development



Capitalize on Growth Opportunities

- Cremation Options® products – caskets, containers and urns
- Technology Solutions – websites & business management software



Maintain Attractive Margins

- Operational excellence through Hillenbrand Operating Model
- Lean manufacturing and distribution
- Continuous improvement in all business processes



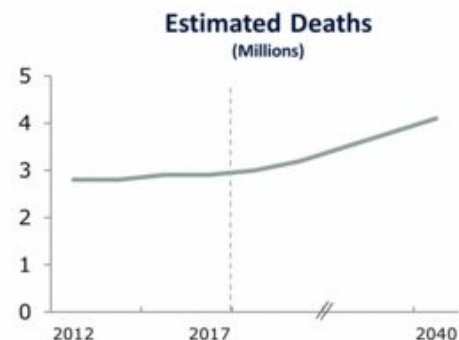
Batesville has predictable strong cash flow and attractive margins

Attractive Financials

- Historically high return on invested capital
- Stable adjusted EBITDA margins* in FY14
- Relentless focus on lean to maintain attractive margins

Industry Dynamics

- Deaths expected to increase in the future as baby boomers age
- North American cremation rate is currently estimated to be ~ 47% and increasing approximately 120-140 basis points per year
- Increase in future deaths expected to be offset by cremation, resulting in relatively flat burial market

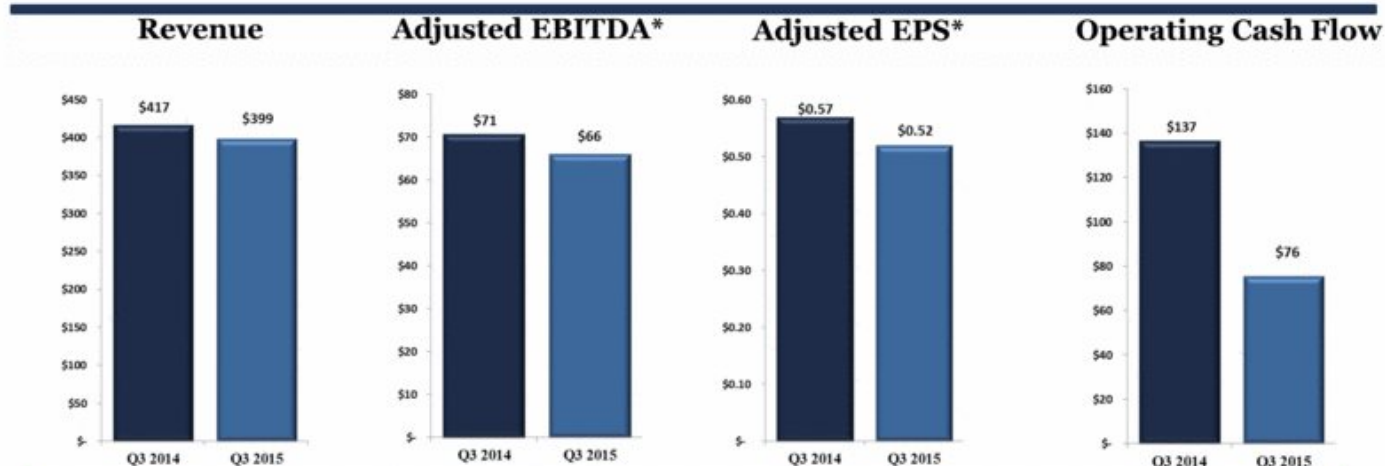


* See Appendix for reconciliation

HILLENBRAND

Financial Results

Consolidated financial performance for Q3 2015 beat consensus



Hillenbrand Consolidated

Q3 2015 Consolidated Composition:

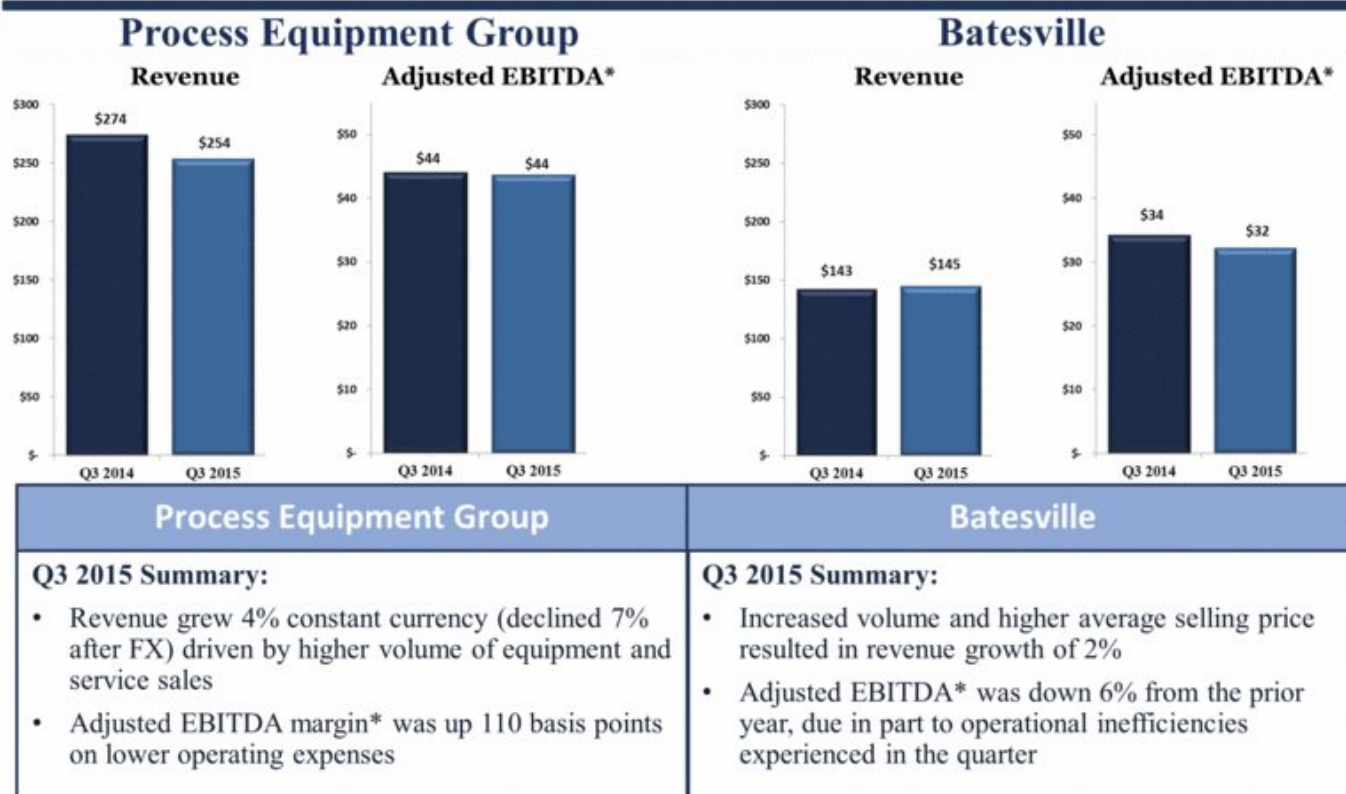
	Rev	Adj EBITDA*
Process Equipment Group	64%	58%
Batesville	36%	42%
Total	100%	100%

Q3 2015 Consolidated Summary:

- Volume increases in both segments drove revenue up 3% on a constant currency basis. Revenue declined 4% including FX.
- Adjusted EBITDA was \$66 million, down 6%
- Operating cash flow was \$76 million through Q3

*See appendix for reconciliation
2015 Hillenbrand

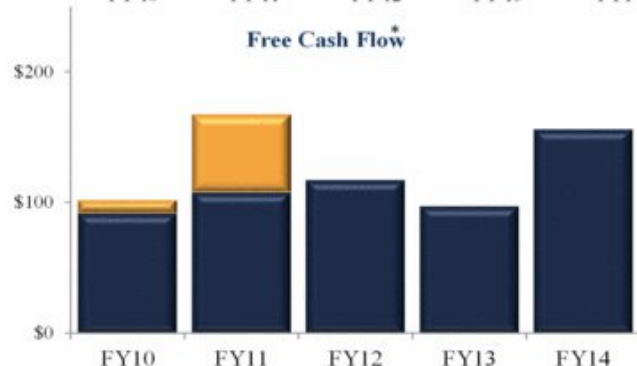
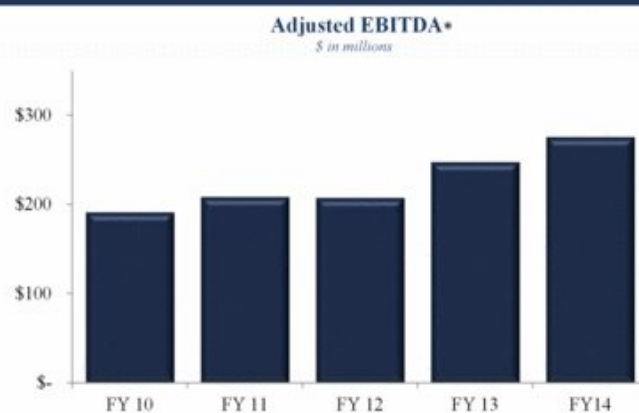
Third quarter 2015 segment performance met internal expectations



*See appendix for reconciliation

2015 Hillenbrand

Hillenbrand has a history of strong financial performance...



■ Base FCF ■ Forethought

* See Appendix for reconciliation ** Net Debt is Total Debt less Cash
2015 Hillenbrand

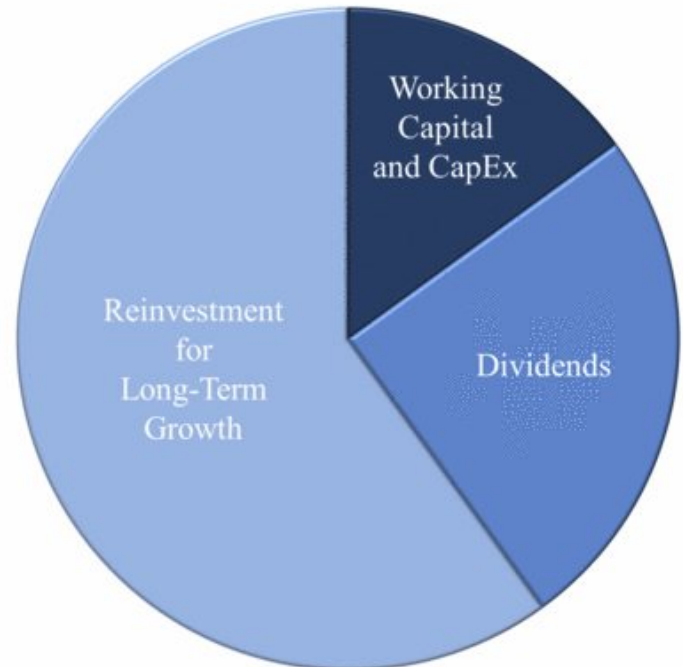
...which fuels a capital deployment strategy that focuses on creating shareholder value

➤➤➤➤ Reinvestment for long-term growth

- Organic growth investments
- Acquisitions

➤➤➤➤ Meaningful dividend

- \$0.79 per share in 2014 (38% payout ratio)
- Annual \$0.01 increase per share per year (6 consecutive years)
- Attractive dividend yield: 3.1% (9/24/15)



Our proven ability to generate cash enables us to manage our debt and maintain strategic financing flexibility

- Strong cash generation allows Hillenbrand to continue our acquisition strategy and de-lever quickly.

- **Total Debt**

- 6/30/15: \$530M;
- 6/30/14: \$597M

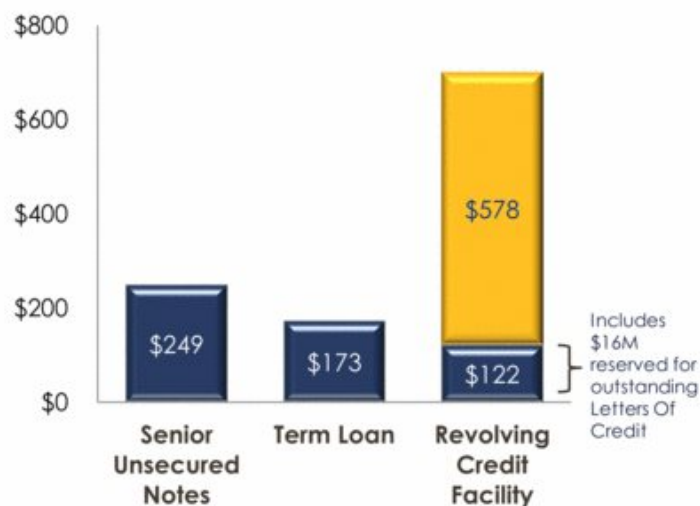
- **Net Debt***

- 6/30/15: \$485M
- 6/30/14: \$535M

- **Net Debt/TTM Adjusted EBITDA****

- 6/30/15: 1.7x
- 6/30/14: 2.0x

Financing Agreements at 6/30/2015
(Millions)



* Net Debt is Total Debt less Cash

** See Appendix for reconciliation

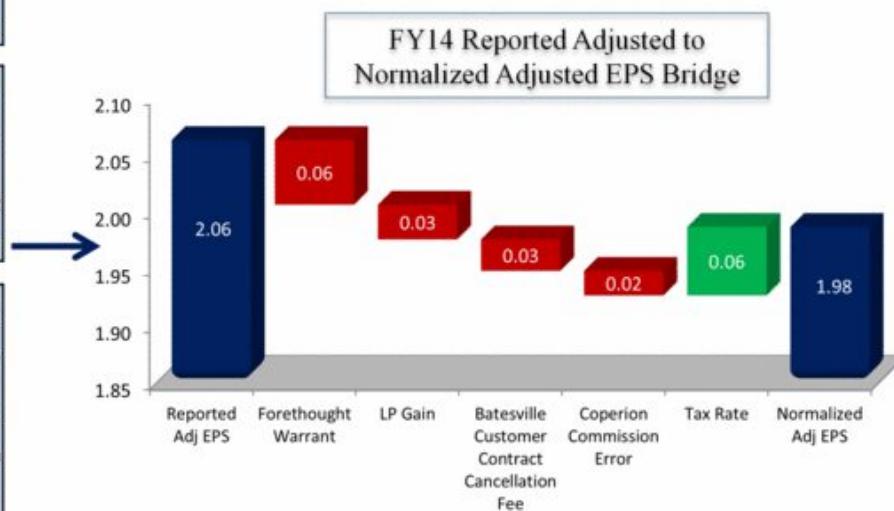
Hillenbrand Outlook: FY 2015 Guidance

Revenue constant currency growth 2-4%; ADJ EPS \$2.05-\$2.15

	EPS Range	
Revenue Growth*	2%	4%
Revenue \$	1,700	1,734

FY 14 Adjusted EPS	\$ 2.06	\$ 2.06
One-time adjustments	(0.14)	(0.14)
Effective Tax Rate	0.06	0.06
Normalized FY14 Base	\$ 1.98	\$ 1.98

Normalized FY14 Base	\$ 1.98	\$ 1.98
Organic Revenue Growth	0.04	0.07
Interest on Fixed Debt	(0.03)	(0.03)
PEG EBITDA improvement	0.13	0.20
FX	(0.07)	(0.07)
	\$ 2.05	\$ 2.15
Normalized EPS Growth	3%	9%



* Constant currency
2015 Hillenbrand

Hillenbrand Outlook: FY 2015 Guidance

Revenue	2% - 4% Constant Currency Growth
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EPS (adjusted)	\$2.05 - \$2.15 per diluted share
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Hillenbrand is an attractive investment opportunity

Growth Opportunity	<ul style="list-style-type: none">• Process Equipment Group represents ~2/3 of Hillenbrand revenue with attractive organic mid-single-digit growth expected• Bottom-line growth enhanced by leveraging core competencies
Strong Financial Profile	<ul style="list-style-type: none">• Market leading platforms with robust cash generation• Strong balance sheet and cash flow
Proven Track Record	<ul style="list-style-type: none">• Demonstrated acquisition success• Proven, results-oriented management teams• Strong core competencies in lean business, strategy management and talent development
Compelling Dividend	<ul style="list-style-type: none">• Meaningful return of cash to shareholders, including an attractive dividend yield• Annual dividend increases since HI inception (2008)

Thanks for your time today

➤➤➤ *Questions?*

HILLENBRAND

Appendix

Disclosure regarding non-GAAP measures

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Q3 FY15 & Q3 FY14 - Adjusted EBITDA to consolidated net income reconciliation

(\$ in millions)

	Three months ended June 30,			
	2015		2014	
Adjusted EBITDA:				
Process Equipment Group	\$	43.7	\$	44.1
Batesville		32.2		34.3
Corporate		(9.7)		(7.6)
Less:				
Interest income		-		(0.3)
Interest expense		5.7		5.6
Income tax expense		13.8		12.7
Depreciation and amortization		12.7		14.7
Business acquisition and integration		0.5		1.7
Restructuring		1.0		1.6
Litigation		-		1.4
Consolidated net income	\$	32.5	\$	33.4

YTD FY15 & YTD FY14 - Adjusted EBITDA to consolidated net income reconciliation

(\$ in millions)

Nine months ended June 30,			
	2015		2014
Adjusted EBITDA:			
Process Equipment Group	\$	116.3	\$ 96.8
Batesville		108.9	113.7
Corporate		(30.1)	(17.3)
Less:			
Interest income		(0.7)	(0.6)
Interest expense		17.8	17.5
Income tax expense		39.9	35.4
Depreciation and amortization		41.1	43.7
Business acquisition and integration		0.7	4.7
Restructuring		2.4	2.8
Litigation		0.5	1.4
Consolidated net income	\$	93.4	\$ 88.3

Q2 FY15 & Q2 FY14 - Adjusted EBITDA to consolidated net income reconciliation

(\$ in millions)

Three months ended March 31,				
		2015		2014
Adjusted EBITDA:				
Process Equipment Group	\$	34.6	\$	26.0
Batesville		44.0		44.9
Corporate		(13.1)		(1.7)
Less:				
Interest income		(0.4)		(0.1)
Interest expense		6.4		5.6
Income tax expense		14.3		13.7
Depreciation and amortization		13.4		14.7
Business acquisition and integration		(0.1)		1.1
Restructuring		0.7		0.9
Litigation		-		-
Consolidated net income	\$	31.2	\$	33.3

Q1 FY15 & Q1 FY14 - Adjusted EBITDA to consolidated net income reconciliation

(\$ in millions)

	Three months ended December 31,	
	2014	2013
Adjusted EBITDA:		
Process Equipment Group	\$ 38.1	\$ 26.7
Batesville	32.6	34.5
Corporate	(7.3)	(8.0)
Less:		
Interest income	(0.3)	(0.2)
Interest expense	5.7	6.3
Income tax expense	11.8	9.0
Depreciation and amortization	15.0	14.3
Business acquisition and integration	0.3	1.9
Restructuring	0.7	0.3
Litigation	0.5	-
Consolidated net income	\$ 29.7	\$ 21.6

Adjusted EBITDA to consolidated net income reconciliation

(\$ in millions)

	Years Ended September 30,				
	2014	2013	2012	2011	2010
Adjusted EBITDA:					
Process Equipment Group	\$ 150.4	\$ 116.4	\$ 79.7	\$ 53.3	\$ 23.6
Batesville	150.8	161.0	152.8	179.9	195.0
Corporate	(25.7)	(29.9)	(25.1)	(24.8)	(27.4)
Less:					
Interest income	(0.8)	(0.6)	\$ (0.5)	\$ (7.4)	\$ (13.0)
Interest expense	23.3	24.0	12.4	11.0	4.2
Income tax expense	48.7	28.3	30.1	51.7	54.1
Depreciation and amortization	58.4	89.4	40.4	36.1	28.2
Business acquisition costs	8.4	16.0	4.2	6.3	10.5
Inventory step-up	-	21.8	-	2.8	11.6
Restructuring	5.5	2.8	8.3	1.3	3.0
Litigation	20.8	0.2	5.5	1.3	5.0
Other	-	0.2	-	(0.8)	(4.7)
Long-term incentive compensation related to the international integration	-	-	2.2	-	-
Consolidated net income	\$ 111.2	\$ 65.4	\$ 104.8	\$ 106.1	\$ 92.3

Q3 FY15 & Q3 FY14 Non-GAAP Operating Performance Measures

(\$ in millions)

	Three months ended June 30,					
	2015			2014		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 259.8	\$ (0.8) (a)	\$ 259.0	\$ 267.5	\$ 0.1 (d)	\$ 267.6
Operating expenses	85.6	(0.9) (b)	84.7	97.7	(4.7) (e)	93.0
Income tax expense	13.8	0.8 (c)	14.6	12.7	1.3 (c)	14.0
Net income ¹	32.1	0.9	33.0	32.8	3.3	36.1
Diluted EPS	0.50	0.02	0.52	0.51	0.06	0.57
Ratios:						
Gross margin	34.8%	0.2%	35.0%	35.8%	-	35.8%
Operating expenses as a % of net revenue	21.5%	(0.3%)	21.2%	23.4%	(1.1%)	22.3%

¹ Net income attributable to Hillenbrand

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

(a) Restructuring (\$0.4 P, \$0.4 B)

(b) Restructuring (\$0.2 C, \$0.1 P, \$0.1 B), business acquisition costs (\$0.5 C)

(c) Tax effect of adjustments

(d) Restructuring (\$0.1 credit B)

(e) Business acquisition and integration costs (\$0.5 P, \$1.2 C), litigation costs (\$1.4 B), restructuring (\$1.5 P, \$0.1 C)

YTD FY15 & YTD FY14 Non-GAAP Operating Performance Measures

(\$ in millions)

	Nine months ended June 30,					
	2015			2014		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 778.9	\$ (2.1) (a)	\$ 776.8	\$ 775.4	\$ 0.2 (d)	\$ 775.6
Operating expenses	268.5	(2.9) (b)	265.6	291.6	(9.1) (e)	282.5
Income tax expense	39.9	1.8 (c)	41.7	35.4	2.6 (c)	38.0
Net income ¹	92.3	3.2	95.5	86.1	6.3	92.4
Diluted EPS	1.44	0.06	1.50	1.35	0.10	1.45
Ratios:						
Gross margin	35.4%	0.1%	35.5%	35.3%	-	35.3%
Operating expenses as a % of net revenue	22.3%	(0.3%)	22.0%	24.3%	(0.7%)	23.6%

¹ Net income attributable to Hillenbrand

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

(a) Restructuring (\$1.6 B, \$0.5 P)

(b) Restructuring (\$0.8 P, \$0.8 C, \$0.1 B), litigation (\$0.5 B), and business acquisition and integration (\$0.6 C, \$0.1 P)

(c) Tax effect of adjustments

(d) Restructuring (\$0.1 P, \$0.3 credit B)

(e) Business acquisition and integration costs (\$1.5 P, \$3.2 C), litigation costs (\$1.4 B), restructuring (\$1.7 P, \$1.3 C)

Q2 FY15 & Q2 FY14 Non-GAAP Operating Performance Measures

(\$ in millions)

	Three months ended March 31,					
	2015			2014		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 256.0	\$ (0.1) (a)	\$ 255.9	\$ 254.0	\$ 0.2 (d)	\$ 254.2
Operating expenses	91.7	(0.5) (b)	91.2	99.9	(2.3) (e)	97.6
Income tax expense	14.3	0.2 (c)	14.5	13.7	0.7 (c)	14.4
Net income ¹	30.7	0.4	31.1	33.0	1.4	34.4
Diluted EPS	0.48	0.01	0.49	0.51	0.03	0.54
Ratios:						
Gross margin	36.7%	0.1%	36.8%	36.0%	(0.1%)	35.9%
Operating expenses as a % of net revenue	22.7%	(0.2%)	22.5%	25.2%	(0.6%)	24.6%

¹Net income attributable to Hillenbrand

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

(a) Restructuring (\$0.1 P)

(b) Restructuring (\$0.4 P, \$0.2 C) and business acquisition (\$0.1 credit C)

(c) Tax effect of adjustments

(d) Restructuring (\$0.1 P, \$0.3 credit B)

(e) Business acquisition and integration costs (\$0.3 P, \$0.8 C) and restructuring (\$1.2 C)

Q1 FY15 & Q1 FY14 Non-GAAP Operating Performance Measures

(\$ in millions)

	Three months ended December 31,					
	2014			2013		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 263.1	\$ (1.2) (a)	\$ 261.9	\$ 253.9	\$ (0.1) (d)	\$ 253.8
Operating expenses	91.2	(1.5) (b)	89.7	94.0	(2.1) (e)	91.9
Income tax expense	11.8	0.8 (c)	12.6	9.0	0.6 (c)	9.6
Net income ¹	29.5	1.9	31.4	20.3	1.6	21.9
Diluted EPS	0.46	0.03	0.49	0.32	0.02	0.34
Ratios:						
Gross margin	34.5%	0.3%	34.8%	34.0%	0.1%	34.1%
Operating expenses as a % of net revenue	22.7%	(0.4%)	22.3%	24.4%	(0.5%)	23.9%

¹ Net income attributable to Hillenbrand

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

(a) Restructuring (\$1.2 B)

(b) Restructuring (\$0.3 P, \$0.4 C), business acquisition and integration costs (\$0.1 P, \$0.2 C), litigation costs (\$0.5 B)

(c) Tax effect of adjustments

(d) Restructuring (\$0.1 B)

(e) Business acquisition and integration costs (\$0.7 P, \$1.2 C) and restructuring (\$0.2 P)

Non-GAAP Operating Performance Measures

(\$ in millions)

	Years Ended September 30,														
	2014			2013			2012			2011			2010		
	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted	GAAP	Adj	Adjusted
Cost of goods sold	\$ 1,078.0	(0.1) (a)	\$ 1,077.9	\$ 1,034.7	(25.2) (d)	\$ 1,009.5	\$ 594.3	(4.2) (i)	\$ 590.1	\$ 513.5	(2.8) (l)	\$ 510.7	\$ 435.9	(11.6) (o)	\$ 424.3
Operating expenses	414.7	(34.7) (b)	380.0	400.6	(52.5) (e)	348.1	240.1	(18.8) (j)	221.3	211.3	(8.9) (m)	202.4	175.4	(15.5) (p)	159.9
Interest expense	23.3	-	23.3	24.0	(1.2) (f)	22.8	12.4	-	12.4	11.0	-	11.0	4.2	-	4.2
Other income (expense), net	8.7	-	8.7	(0.4)	(1.1) (g)	(1.5)	(1.5)	-	(1.5)	10.2	-	10.2	12.7	-	12.7
Income tax expense	48.7	12.9 (c)	61.6	28.3	22.9 (h)	51.2	30.1	18.1 (k)	48.2	51.7	4.0 (n)	55.7	54.1	7.8 (q)	61.9
Net income ¹	109.7	21.9	131.6	63.4	54.9	118.3	104.8	4.9	109.7	106.1	7.7	113.8	92.3	19.3	111.6
Diluted EPS	1.72	0.34	2.06	1.01	0.87	1.88	1.68	0.08	1.76	1.71	0.13	1.84	1.49	0.31	1.80

¹Net income attributable to Hillenbrand

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

(a) Restructuring costs (\$0.3 P, \$0.2 credit B)

(b) Business acquisition costs (\$2.1 P, \$6.3 C), litigation (\$20.8 B), restructuring costs (\$4.0 P, \$1.5 C)

(c) Tax effect of adjustments

(d) Inventory step-up (\$21.8 P), restructuring (\$0.3 P, \$2.9 B), business acquisition costs (\$0.2 P)

(e) Backlog amortization (\$34.5 P), business acquisition costs (\$3.1 P, \$13.7 C), restructuring (\$0.2 P, \$0.5 B, \$0.2 C), antitrust litigation (\$0.2 B), other (\$0.1 B)

(f) Business acquisition costs (\$1.2 C)

(g) Acquisition related foreign currency transactions (\$0.8C), business acquisition costs (\$0.2 C), other (\$0.1 B)

(h) Tax effect of adjustments

(i) Restructuring (\$0.9 P, \$3.3 B)

(j) Antitrust litigation (\$5.5 B), restructuring (\$2.8 P, \$0.6 B, \$0.9 C), business acquisition costs (\$4.2 C), backlog amortization (\$2.5 P), long-term incentive compensation related to the international integration (\$0.2 P, \$0.8 B, \$1.2 C), other (\$0.1 B)

(k) Tax benefit of the international integration (\$10.4), tax effect of adjustments (\$7.7)

(l) Inventory step-up (\$2.8 P)

(m) Restructuring (\$1.3 B), antitrust litigation (\$1.3 B), business acquisition costs (\$0.3 P, \$6.0 C), backlog amortization (\$0.8 P), sales tax recoveries (\$0.8 B)

(n) Tax effect of adjustments

(o) Inventory step-up (\$11.6 P)

(p) Business acquisition costs (\$0.3 P, \$10.2 C), antitrust litigation (\$5.0 B), restructuring (\$3.0 C), Backlog amortization (\$1.7 P), LESS sales tax recoveries (\$4.7).

(q) Tax effect of adjustments

Q3 FY15 & Q3 FY14 - Cash Flow Information

(\$ in millions)

	Three months ended June 30,	
	2015	2014
Operating Activities		
Consolidated net income	\$ 32.5	\$ 33.4
Depreciation and amortization	12.7	14.7
Change in working capital	10.4	(3.2)
Other, net	9.7	9.8
Net cash provided by operating activities (A)	\$ 65.3	\$ 54.7
Capital expenditures (B)	(7.8)	(6.5)
Acquisition of business, net of cash acquired	-	-
Debt activity	(41.4)	(28.9)
Dividends	(12.6)	(12.4)
Other	(0.9)	3.8
Net change in cash	\$ 2.6	\$ 10.7
Free Cash Flow (A-B)	\$ 57.5	\$ 48.2

YTD FY15 & YTD FY14 - Cash Flow Information

(\$ in millions)

	Nine months ended June 30,	
	2015	2014
Operating Activities		
Consolidated net income	\$ 93.4	\$ 88.3
Depreciation and amortization	41.1	43.7
Change in working capital	(61.5)	20.4
Other, net	2.5	(15.5)
Net cash provided by operating activities (A)	\$ 75.5	\$ 136.9
Investing Activities		
Capital expenditures (B)	(19.7)	(17.9)
Acquisition of business, net of cash acquired	-	-
Debt activity	(23.9)	(68.9)
Dividends	(37.8)	(37.2)
Other	(6.5)	6.1
Net change in cash	\$ (12.4)	\$ 19.0
Free Cash Flow (A-B)	\$ 55.8	\$ 119.0

Q2 FY15 & Q2 FY14 - Cash Flow Information

(\$ in millions)

	Three months ended March 31,	
	2015	2014
Operating Activities		
Consolidated net income	\$ 31.2	\$ 33.3
Depreciation and amortization	13.4	14.7
Change in working capital	(17.0)	1.5
Other, net	24.5	(13.2)
Net cash provided by operating activities (A)	\$ 52.1	\$ 36.3
Capital expenditures (B)	(6.2)	(5.8)
Acquisition of business, net of cash acquired	-	-
Debt activity	(42.0)	(25.8)
Dividends	(12.6)	(12.4)
Other	(0.3)	(3.6)
Net change in cash	\$ (9.0)	\$ (11.3)
Free Cash Flow (A-B)	\$ 45.9	\$ 30.5

Q1 FY15 & Q1 FY14 - Cash Flow Information

(\$ in millions)

	Three months ended December 31,	
	2014	2013
Operating Activities		
Consolidated net income	\$ 29.7	\$ 21.6
Depreciation and amortization	15.0	14.3
Change in working capital	(54.9)	22.1
Other, net	(31.7)	(12.1)
Net cash (used in) provided by operating activities (A)	\$ (41.9)	\$ 45.9
Capital expenditures (B)	(5.7)	(5.6)
Acquisition of business, net of cash acquired	-	-
Debt activity	59.5	(14.2)
Dividends	(12.6)	(12.4)
Other	(5.3)	5.9
Net change in cash	\$ (6.0)	\$ 19.6
Free Cash Flow (A-B)	\$ (47.6)	\$ 40.3

Cash Flow Information

(\$ in millions)

	Years Ended September 30,				
	2014	2013	2012	2011	2010
Operating Activities					
Consolidated net income	\$ 111.2	\$ 65.4	\$ 104.8	\$ 106.1	\$ 92.3
Depreciation and amortization	58.4	89.4	40.4	36.1	28.2
Interest income on Forethought Note	-	-	-	(6.4)	(12.0)
Forethought Note interest payment	-	-	-	59.7	10.0
Change in working capital	22.6	(12.3)	(19.8)	(16.4)	16.9
Other, net	(12.6)	(15.3)	12.8	10.4	(17.2)
Net cash provided by operating activities (A)	\$ 179.6	\$ 127.2	\$ 138.2	\$ 189.5	\$ 118.2
Investing Activities					
Capital expenditures (B)	(23.6)	(29.9)	(20.9)	(21.9)	(16.3)
Forethought Note principal repayment	-	-	-	91.5	-
Acquisition of businesses, net of cash acquired	-	(415.7)	(4.4)	(240.9)	(371.5)
Proceeds from redemption and sales, and ARS and investments	5.8	1.7	0.8	12.4	37.2
Debt activity	(104.1)	385.6	(162.3)	28.1	334.2
Dividends	(49.7)	(48.7)	(47.6)	(46.9)	(46.2)
Purchase of common stock	(16.5)	-	-	(3.8)	-
Other	23.8	2.3	0.9	9.1	7.6
Net change in cash	\$ 15.3	\$ 22.5	\$ (95.3)	\$ 17.1	\$ 63.2
Free Cash Flow (A-B)	\$ 156.0	\$ 97.3	\$ 117.3	\$ 167.6	\$ 101.9