

**STERIS Corporation**  
**Consolidated Condensed Statements of Operations**  
(In thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Unaudited)
Revenues	\$ 473,244	\$ 405,551	\$ 1,348,616	\$ 1,156,965
Cost of revenues	276,055	241,776	787,792	691,838
Cost of revenues - Restructuring	33	-	(417)	-
Cost of revenues, net	276,088	241,776	787,375	691,838
Gross profit	197,156	163,775	561,241	465,127
Operating expenses:				
Selling, general, and administrative	122,370	95,497	362,350	280,087
Research and development	14,549	11,580	39,964	36,960
Restructuring expense	(1,109)	808	(10)	878
Total operating expenses	135,810	107,885	402,304	317,925
Income from operations	61,346	55,890	158,937	147,202
Non-operating expense, net	4,405	4,431	13,779	13,812
Income tax expense	18,817	22,953	51,493	42,824
Net income	\$ 38,124	\$ 28,506	\$ 93,665	\$ 90,566
Earnings per common share (EPS) data:				
Basic	\$ 0.64	\$ 0.48	\$ 1.58	\$ 1.54
Diluted	\$ 0.63	\$ 0.48	\$ 1.56	\$ 1.52
Cash dividends declared per common share outstanding	\$ 0.23	\$ 0.21	\$ 0.67	\$ 0.61
Weighted average number of common shares outstanding used in EPS computation:				
Basic number of common shares outstanding	59,475	58,885	59,340	58,972
Diluted number of common shares outstanding	60,146	59,685	59,993	59,746

**STERIS Corporation**  
**Consolidated Condensed Balance Sheets**  
(In thousands)

	December 31, 2014	March 31, 2014
(Unaudited)		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 144,512	\$ 152,802
Accounts receivable, net	297,015	313,686
Inventories, net	183,456	155,146
Other current assets	46,568	53,111
<b>Total Current Assets</b>	<b>671,551</b>	<b>674,745</b>
Property, plant, and equipment, net	475,485	454,410
Goodwill and intangible assets, net	861,438	747,715
Other assets	19,334	10,292
<b>Total Assets</b>	<b>\$ 2,027,808</b>	<b>\$ 1,887,162</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$ 78,942	\$ 102,430
Other current liabilities	165,499	152,076
<b>Total Current Liabilities</b>	<b>244,441</b>	<b>254,506</b>
Long-term debt	610,680	493,480
Other liabilities	96,589	97,930
Equity	1,076,098	1,041,246
<b>Total Liabilities and Equity</b>	<b>\$ 2,027,808</b>	<b>\$ 1,887,162</b>

**STERIS Corporation**  
**Segment Data**  
(In thousands)

	Three Months Ended		Nine Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Revenues:</b>				
Healthcare	\$ 353,197	\$ 291,831	\$ 1,007,176	\$ 828,051
Life Sciences	67,997	64,128	185,759	182,425
STERIS Isomedix Services	50,960	49,157	154,003	144,792
Total Reportable Segments	472,154	405,116	1,346,938	1,155,268
Corporate and Other	1,090	435	1,678	1,697
Total Segment Revenues	\$ 473,244	\$ 405,551	\$ 1,348,616	\$ 1,156,965

	Three Months Ended		Nine Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Operating Income:</b>				
Healthcare	\$ 33,843	\$ 31,238	\$ 81,752	\$ 72,111
Life Sciences	16,402	12,092	41,395	38,672
STERIS Isomedix Services	12,508	14,054	43,098	42,484
Total Reportable Segments	62,753	57,384	166,245	153,267
Corporate and Other	(1,407)	(1,494)	(7,308)	(6,065)
Total Operating Income	\$ 61,346	\$ 55,890	\$ 158,937	\$ 147,202

**STERIS Corporation**  
**Consolidated Condensed Statements of Cash Flows**  
(In thousands)

	Nine Months Ended	
	December 31,	
	2014	2013
	(Unaudited)	(Unaudited)
<b>Operating Activities:</b>		
Net income	\$ 93,665	\$ 90,566
Non-cash items	75,401	71,764
Changes in operating assets and liabilities	(3,856)	(20,157)
Net cash provided by operating activities	<u>165,210</u>	<u>142,173</u>
<b>Investing Activities:</b>		
Purchases of property, plant, equipment, and intangibles, net	(56,757)	(64,778)
Proceeds from sale of property, plant, equipment and intangibles	812	4,739
Purchases of investments	(4,681)	-
Investments in businesses, net of cash acquired	(182,692)	(8,443)
Net cash used in investing activities	<u>(243,318)</u>	<u>(68,482)</u>
<b>Financing Activities:</b>		
Payments on long-term obligations, net	-	(70,000)
Proceeds under credit facilities, net	117,200	52,450
Deferred financing fees and debt issuance costs	(7,347)	(43)
Repurchases of common shares	(20,110)	(23,236)
Cash dividends paid to common shareholders	(39,790)	(36,009)
Stock option and other equity transactions, net	19,245	11,877
Tax benefit from share-based compensation	8,880	1,864
Net cash used in and provided by financing activities	<u>78,078</u>	<u>(63,097)</u>
Effect of exchange rate changes on cash and cash equivalents	(8,260)	4,735
Increase (decrease) in cash and cash equivalents	<u>(8,290)</u>	<u>15,329</u>
Cash and cash equivalents at beginning of period	152,802	142,008
Cash and cash equivalents at end of period	<u>\$ 144,512</u>	<u>\$ 157,337</u>

The following table presents a financial measure which is considered to be "non-GAAP financial measures" under Securities Exchange Commission rules. Free cash flow is defined by the Company as cash flows from operating activities less purchases of property, plant, equipment and intangibles, net (capital expenditures) plus proceeds from the sale of property, plant, equipment and intangibles. The Company uses free cash flow as a measure to gauge its ability to fund future principal debt repayments and growth outside of core operations, repurchase common shares, and pay cash dividends. STERIS's calculation of free cash flow may vary from other companies.

	Nine Months Ended	
	December 31,	
	2014	2013
	(Unaudited)	(Unaudited)
<b>Calculation of Free Cash Flow:</b>		
Cash flows from operating activities	\$ 165,210	\$ 142,173
Purchases of property, plant, equipment, and intangibles, net	(56,757)	(64,778)
Proceeds from the sale of property, plant, equipment, and intangibles	812	4,739
<b>Free Cash Flow</b>	<u>\$ 109,265</u>	<u>\$ 82,134</u>

	Twelve Months Ended	
	March 31,	
	2015	
	(Outlook)*	
Cash flows from operating activities	\$ 230,000	
Purchases of property, plant, equipment, and intangibles, net	(95,000)	
<b>Free Cash Flow</b>	<u>\$ 135,000</u>	

\* All amounts are estimates.

**STERIS Corporation**  
**Non-GAAP Earnings Per Share and Outlook**

Non-GAAP financial measures are presented with the intent of providing greater transparency to supplemental financial information used by management and the Board of Directors in their financial analysis and operational decision making. These amounts are disclosed so that the reader has the same financial data that management uses with the belief that it will assist investors and other readers in making comparisons to our historical operating results and analyzing the underlying performance of our operations for the periods presented.

We believe that the presentation of these non-GAAP financial measures, when considered along with our GAAP financial measures and the reconciliation to the corresponding GAAP financial measures, provide the reader with a more complete understanding of the factors and trends affecting our business than could be obtained absent this disclosure. It is important for the reader to note that the non-GAAP financial measure used may be calculated differently from, and therefore may not be comparable to, a similarly titled measure used by other companies.

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Income per diluted share	\$0.63	\$0.48	\$1.56	\$1.52
Tax benefit, European restructuring	-	-	-	(0.15)
Tax expense, Canadian adjustment	-	0.04	-	0.04
Restructuring, net of tax	(0.01)	0.01	-	0.01
Inventory and property "step up" to fair value, net of tax	-	-	0.02	-
Amortization and impairment of purchased intangible assets, net of tax	0.06	0.04	0.23	0.12
Loss (gain) from fair value adjustment of acquisition related contingent consideration	-	0.01	0.02	0.01
Acquisition related transaction and integration expenses, net of tax	0.11	0.01	0.18	0.02
Adjusted net income per diluted share	\$0.79	\$0.59	\$2.01	\$1.57

	Twelve months ended
	March 31,
	2015
	(Outlook)*
Net Income per diluted share	\$2.30 - \$2.35
Inventory "step up" to fair value, net of tax	0.02
Amortization and impairment of purchased intangible assets, net of tax	0.29
Loss (gain) from fair value adjustment of acquisition related contingent consideration	0.02
Acquisition related transaction and integration expenses, net of tax	0.23
Adjusted net income per diluted share	\$2.86 - \$2.91

\* All amounts are estimates.

**STERIS Corporation**  
**Non-GAAP Financial Measures**  
(In thousands, except per share data)

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	Three months ended		Nine months ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross Profit	\$ 197,156	\$ 163,775	\$ 561,241	\$ 465,127
Restructuring	33	-	(417)	-
Amortization of inventory "step up" to fair value	-	-	1,234	-
Adjusted gross profit	\$ 197,189	\$ 163,775	\$ 562,058	\$ 465,127
Selling, general and administrative expenses	\$ 122,370	\$ 95,497	\$ 362,350	\$ 280,087
Amortization and impairment of purchased intangible assets	(5,845)	(4,256)	(22,563)	(12,613)
Amortization of property "step up" to fair value	(22)	-	(76)	-
Acquisition related transaction and integration costs	(10,860)	(530)	(17,556)	(1,864)
Gain (loss) on fair value adjustment of acquisition related contingent consideration	-	(1,046)	(1,998)	(1,046)
Adjusted selling, general and administrative expenses	\$ 105,643	\$ 89,665	\$ 320,157	\$ 264,564
Operating income	\$ 61,346	\$ 55,890	\$ 158,937	\$ 147,202
Amortization of inventory and property "step up" to fair value	22	-	1,310	-
Amortization and impairment of purchased intangible assets	5,845	4,256	22,563	12,613
Acquisition related transaction and integration costs	10,860	530	17,556	1,864
Loss (gain) on fair value adjustment of acquisition related contingent consideration	-	1,046	1,998	1,046
Restructuring	(1,076)	808	(427)	878
Adjusted operating income	\$ 76,997	\$ 62,530	\$ 201,937	\$ 163,603
Net income	\$ 38,124	\$ 28,506	\$ 93,665	\$ 90,566
Amortization of inventory and property "step up" to fair value, net of tax	18	-	1,049	-
Amortization and impairment of purchased intangible assets, net of tax	3,634	2,596	13,976	7,694
Acquisition related transaction and integration costs, net of tax	6,625	323	10,709	1,137
Loss (gain) on fair value adjustment of acquisition related contingent consideration, net of tax	-	638	1,219	638
Tax benefit, European restructuring	-	-	-	(9,245)
Tax expense, Canadian adjustment	-	2,378	-	2,378
Restructuring, net of tax	(656)	493	(260)	536
Adjusted net income	\$ 47,745	\$ 34,934	\$ 120,358	\$ 93,704
Healthcare operating income	\$ 33,843	\$ 31,238	\$ 81,752	\$ 72,111
Amortization of inventory and property "step up" to fair value	22	-	1,310	-
Amortization and impairment of purchased intangible assets	5,760	3,913	22,308	11,588
Acquisition related transaction and integration costs	9,378	530	15,996	1,864
Loss (gain) from fair value adjustment of acquisition related contingent consideration	-	1,046	-	1,046
Restructuring	(1,087)	808	(526)	878
Adjusted Healthcare operating income	\$ 47,916	\$ 37,535	\$ 120,840	\$ 87,487
Life Sciences operating income	\$ 16,402	\$ 12,092	\$ 41,395	\$ 38,672
Amortization and impairment of purchased intangible assets	1	23	3	70
Acquisition related transaction and integration costs	57	-	85	-
Restructuring	22	-	132	-
Adjusted Life Sciences operating income	\$ 16,482	\$ 12,115	\$ 41,615	\$ 38,742
Isomedix operating income	\$ 12,508	\$ 14,054	\$ 43,098	\$ 42,484
Amortization and impairment of purchased intangible assets	84	320	252	955
Acquisition related transaction and integration costs	1,425	-	1,475	-
Restructuring	(11)	-	(33)	-
Adjusted Isomedix operating income	\$ 14,006	\$ 14,374	\$ 44,792	\$ 43,439

**STERIS Corporation**  
**Unaudited Supplemental Financial Data**  
**Third Quarter Fiscal 2015**  
**As of December 31, 2014**

	FY 2015	FY 2014	FY 2015	FY 2014
	Q3	Q3	YTD	YTD
<b>Total Company Revenues</b>				
Capital Equipment	\$ 151,217	\$ 149,578	\$ 415,100	\$ 408,775
Consumables	116,068	103,038	339,470	302,078
Service	205,959	152,935	594,046	446,112
Total Recurring	322,027	255,973	933,516	748,190
<b>Total Revenues</b>	<b>\$ 473,244</b>	<b>\$ 405,551</b>	<b>\$ 1,348,616</b>	<b>\$ 1,156,965</b>
<b>United States Revenues</b>	<b>\$ 367,059</b>	<b>\$ 314,589</b>	<b>\$ 1,049,892</b>	<b>\$ 900,592</b>
United States Revenues as a % of Total	78%	78%	78%	78%
<b>International Revenues</b>	<b>\$ 106,185</b>	<b>\$ 90,962</b>	<b>\$ 298,724</b>	<b>\$ 256,373</b>
International Revenues as a % of Total	22%	22%	22%	22%

<b>Segment Data</b>	<b>Q3</b>	<b>Q3</b>	<b>YTD</b>	<b>YTD</b>
<b>Healthcare</b>				
<b>Revenues</b>				
Capital Equipment	\$ 126,484	\$ 124,777	\$ 356,027	\$ 342,782
Consumables	93,457	83,583	272,285	242,084
Service	133,256	83,471	378,864	243,185
Total Recurring	226,713	167,054	651,149	485,269
Total Healthcare Revenues, net	<b>\$ 353,197</b>	<b>\$ 291,831</b>	<b>\$ 1,007,176</b>	<b>\$ 828,051</b>
<b>Operating Income</b>	<b>33,843</b>	<b>31,238</b>	<b>81,752</b>	<b>72,111</b>
Adjusted Operating Income (1)	47,916	37,535	120,840	87,487
<b>Life Sciences</b>				
<b>Revenues</b>				
Capital Equipment	\$ 24,733	\$ 24,801	\$ 59,073	\$ 65,993
Consumables	22,611	19,455	67,185	59,994
Service	20,653	19,872	59,501	56,438
Total Recurring	43,264	39,327	126,686	116,432
Total Life Sciences Revenues	<b>\$ 67,997</b>	<b>\$ 64,128</b>	<b>\$ 185,759</b>	<b>\$ 182,425</b>
<b>Operating Income</b>	<b>16,402</b>	<b>12,092</b>	<b>41,395</b>	<b>38,672</b>
Adjusted Operating Income (1)	16,482	12,115	41,615	38,742
<b>Isomedix Services</b>				
<b>Revenues</b>	<b>\$ 50,960</b>	<b>\$ 49,157</b>	<b>\$ 154,003</b>	<b>\$ 144,792</b>
<b>Operating Income</b>	<b>12,508</b>	<b>14,054</b>	<b>43,098</b>	<b>42,484</b>
Adjusted Operating Income (1)	14,006	14,374	44,792	43,439
<b>Corporate and Other</b>				
<b>Revenues</b>	<b>\$ 1,090</b>	<b>\$ 435</b>	<b>\$ 1,678</b>	<b>\$ 1,697</b>
<b>Operating Income (Loss)</b>	<b>(1,407)</b>	<b>(1,494)</b>	<b>(7,308)</b>	<b>(6,065)</b>

<b>Other Data</b>	<b>Q3</b>	<b>Q3</b>	<b>YTD</b>	<b>YTD</b>
<b>Product</b>				
Total product revenues	267,285	252,616	754,570	710,853
Total product cost of revenues	150,164	144,884	423,130	408,051
Restructuring expense	33	-	(417)	-
Amortization of inventory "step up" to fair value	-	-	1,234	-
Total product cost of revenues, adjusted (1)	150,131	144,884	422,313	408,051
<b>Total product gross profit, adjusted (1)</b>	<b>117,154</b>	<b>107,732</b>	<b>332,257</b>	<b>302,802</b>
As a percentage, adjusted (1)	43.8%	42.6%	44.0%	42.6%
<b>Service</b>				
Total service revenues	205,959	152,935	594,046	446,112
Total service cost of revenues	125,924	96,892	364,245	283,787
<b>Total service gross profit</b>	<b>80,035</b>	<b>56,043</b>	<b>229,801</b>	<b>162,325</b>
As a percentage	38.9%	36.6%	38.7%	36.4%
<b>Total Company gross profit margin, adjusted (1)</b>	<b>197,189</b>	<b>163,775</b>	<b>562,058</b>	<b>465,127</b>
As a percentage, adjusted (1)	41.7%	40.4%	41.7%	40.2%
Healthcare Backlog	\$ 137,806	\$ 155,917	n/a	n/a
Life Sciences Backlog	43,748	48,469	n/a	n/a
<b>Total Backlog</b>	<b>\$ 181,554</b>	<b>\$ 204,386</b>	<b>n/a</b>	<b>n/a</b>
<b>Free Cash Flow</b>	<b>\$ 40,088</b>	<b>\$ 49,191</b>	<b>\$ 109,265</b>	<b>\$ 82,134</b>
<b>Net Debt</b>	<b>\$ 466,168</b>	<b>\$ 317,403</b>	<b>n/a</b>	<b>n/a</b>

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*This supplemental data is consistent with publicly disclosed information provided in quarterly conference calls, earnings releases and SEC filings, and is subject to all definitions, precautions and limitations contained in those disclosures. Please see the Company's most recent 10-K for definitions (and reconciliation where appropriate) of adjusted measures, backlog, free cash flow and net debt.*