

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Unaudited)
Revenues	\$ 462,729	\$ 383,762	\$ 875,372	\$ 751,414
Cost of revenues	269,073	229,256	511,737	450,062
Cost of revenues - Restructuring	(336)	-	(450)	-
Cost of revenues, net	268,737	229,256	511,287	450,062
Gross profit	193,992	154,506	364,085	301,352
Operating expenses:				
Selling, general, and administrative	126,292	90,661	239,980	184,590
Research and development	13,006	13,527	25,415	25,380
Restructuring expense	1,271	18	1,099	70
Total operating expenses	140,569	104,206	266,494	210,040
Income from operations	53,423	50,300	97,591	91,312
Non-operating expense, net	4,912	4,642	9,374	9,381
Income tax expense	17,507	15,915	32,676	19,871
Net income	\$ 31,004	\$ 29,743	\$ 55,541	\$ 62,060
Earnings per common share (EPS) data:				
Basic	\$ 0.52	\$ 0.50	\$ 0.94	\$ 1.05
Diluted	\$ 0.52	\$ 0.50	\$ 0.93	\$ 1.04
Cash dividends declared per common share outstanding	\$ 0.23	\$ 0.21	\$ 0.44	\$ 0.40
Weighted average number of common shares outstanding used in EPS computation:				
Basic number of common shares outstanding	59,375	59,027	59,272	59,016
Diluted number of common shares outstanding	60,020	59,762	59,917	59,776

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

	September 30, 2014	March 31, 2014
(Unaudited)		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 147,413	\$ 152,802
Accounts receivable, net	288,587	313,686
Inventories, net	184,447	155,146
Other current assets	53,088	53,111
<b>Total Current Assets</b>	<b>673,535</b>	<b>674,745</b>
Property, plant, and equipment, net	474,967	454,410
Goodwill and intangible assets, net	869,022	747,715
Other assets	9,883	10,292
<b>Total Assets</b>	<b>\$ 2,027,407</b>	<b>\$ 1,887,162</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$ 90,436	\$ 102,430
Other current liabilities	154,444	152,076
<b>Total Current Liabilities</b>	<b>244,880</b>	<b>254,506</b>
Long-term debt	619,950	493,480
Other liabilities	94,717	97,930
Equity	1,067,860	1,041,246
<b>Total Liabilities and Equity</b>	<b>\$ 2,027,407</b>	<b>\$ 1,887,162</b>

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

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Revenues:</b>				
Healthcare	\$ 351,169	\$ 277,332	\$ 653,979	\$ 536,220
Life Sciences	59,148	58,382	117,762	118,297
STERIS Isomedix Services	51,850	47,411	103,043	95,635
Total Reportable Segments	462,167	383,125	874,784	750,152
Corporate and Other	562	637	588	1,262
Total Segment Revenues	\$ 462,729	\$ 383,762	\$ 875,372	\$ 751,414

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Operating Income:</b>				
Healthcare	\$ 29,943	\$ 25,926	\$ 47,909	\$ 40,873
Life Sciences	13,048	14,041	24,993	26,580
STERIS Isomedix Services	14,399	13,712	30,590	28,430
Total Reportable Segments	57,390	53,679	103,492	95,883
Corporate and Other	(3,967)	(3,379)	(5,901)	(4,571)
Total Operating Income	\$ 53,423	\$ 50,300	\$ 97,591	\$ 91,312

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

	<b>Six Months Ended</b>	
	<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>
	(Unaudited)	(Unaudited)
<b>Operating Activities:</b>		
Net income	\$ 55,541	\$ 62,060
Non-cash items	49,078	45,163
Changes in operating assets and liabilities	289	(27,178)
Net cash provided by operating activities	<u>104,908</u>	<u>80,045</u>
<b>Investing Activities:</b>		
Purchases of property, plant, equipment, and intangibles, net	(36,527)	(47,110)
Proceeds from sale of property, plant, equipment and intangibles	796	8
Investments in businesses, net of cash acquired	(179,380)	(115)
Net cash used in investing activities	<u>(215,111)</u>	<u>(47,217)</u>
<b>Financing Activities:</b>		
Payments on long-term obligations, net	-	(30,000)
Proceeds under credit facilities, net	126,470	46,230
Deferred financing fees and debt issuance costs	-	(43)
Repurchases of common shares	(5,440)	(18,653)
Cash dividends paid to common shareholders	(26,118)	(23,644)
Stock option and other equity transactions, net	8,686	9,159
Tax benefit from share-based compensation	4,505	1,462
Net cash provided by and used in financing activities	<u>108,103</u>	<u>(15,489)</u>
Effect of exchange rate changes on cash and cash equivalents	(3,289)	4,447
Decrease in cash and cash equivalents	<u>(5,389)</u>	<u>21,786</u>
Cash and cash equivalents at beginning of period	152,802	142,008
Cash and cash equivalents at end of period	<u>\$ 147,413</u>	<u>\$ 163,794</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.

	<b>Six Months Ended</b>	
	<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>
	(Unaudited)	(Unaudited)
<b>Calculation of Free Cash Flow:</b>		
Cash flows from operating activities	\$ 104,908	\$ 80,045
Purchases of property, plant, equipment, and intangibles, net	(36,527)	(47,110)
Proceeds from the sale of property, plant, equipment, and intangibles	796	8
<b>Free Cash Flow</b>	<u>\$ 69,177</u>	<u>\$ 32,943</u>

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

**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		Six months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Income per diluted share	\$ 0.52	\$ 0.50	\$ 0.93	\$ 1.04
Loss (gain) from fair value adjustment of acquisition related contingent consideration	-	-	0.02	-
Tax benefit, European restructuring	-	-	-	(0.15)
Inventory and property "step up" to fair value, net of tax	-	-	0.02	-
Amortization and impairment of purchased intangible assets, net of tax	0.12	0.04	0.17	0.08
Restructuring, net of tax	0.01	-	0.01	-
Acquisition related transaction and integration expenses, net of tax	0.03	0.01	0.07	0.01
Adjusted net income per diluted share	<u>\$0.68</u>	<u>\$0.55</u>	<u>\$1.22</u>	<u>\$0.98</u>

	Twelve months ended
	March 31,
	2015
	(Outlook)*
Net Income per diluted share	\$2.48 - \$2.53
Inventory "step up" to fair value, net of tax	0.02
Amortization and impairment of purchased intangible assets, net of tax	0.24
Acquisition related transaction and integration expenses, net of tax	0.12
Adjusted net income per diluted share	<u>\$2.86 - \$2.91</u>

\* All amounts are estimates.

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

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	Three months ended September 30,		Six months ended September 30,	
	2014 (Unaudited)	2013 (Unaudited)	2014 (Unaudited)	2013 (Unaudited)
Gross Profit	\$ 193,992	\$ 154,506	\$ 364,085	\$ 301,352
Amortization of inventory "step up" to fair value	-	-	1,234	-
Restructuring	(336)	-	(450)	-
Adjusted gross profit	<u>\$ 193,656</u>	<u>\$ 154,506</u>	<u>\$ 364,869</u>	<u>\$ 301,352</u>
Selling, general and administrative expenses	\$ 126,292	\$ 90,661	\$ 239,980	\$ 184,590
Amortization and impairment of purchased intangible assets	(11,518)	(4,067)	(16,718)	(8,357)
Amortization of property "step up" to fair value	(31)	-	(54)	-
Acquisition related transaction and integration costs	(3,062)	(633)	(6,696)	(1,341)
(Loss) gain from fair value adjustment of acquisition related contingent consideration	-	-	(1,998)	-
Adjusted selling, general and administrative expenses	<u>\$ 111,681</u>	<u>\$ 85,961</u>	<u>\$ 214,514</u>	<u>\$ 174,892</u>
Operating income	\$ 53,423	\$ 50,300	\$ 97,591	\$ 91,312
Amortization of inventory and property "step up" to fair value	31	-	1,288	-
Amortization and impairment of purchased intangible assets	11,518	4,067	16,718	8,357
Acquisition related transaction and integration costs	3,062	633	6,696	1,341
Loss (gain) from fair value adjustment of acquisition related contingent consideration	-	-	1,998	-
Restructuring	935	18	649	70
Adjusted operating income	<u>\$ 68,969</u>	<u>\$ 55,018</u>	<u>\$ 124,940</u>	<u>\$ 101,080</u>
Net income attributable to common shareholders	\$ 31,004	\$ 29,743	\$ 55,541	\$ 62,060
Amortization of inventory and property "step up" to fair value	25	-	1,030	-
Amortization and impairment of purchased intangible assets, net of tax	7,098	2,481	10,342	5,098
Acquisition related transaction and integration costs	1,868	386	4,085	818
Loss (gain) from fair value adjustment of acquisition related contingent consideration	-	-	1,219	-
Tax benefit, European restructuring	-	-	-	(9,245)
Restructuring, net of tax	570	11	396	43
Adjusted net income attributable to common shareholders	<u>\$ 40,565</u>	<u>\$ 32,621</u>	<u>\$ 72,613</u>	<u>\$ 58,774</u>
Healthcare operating income	\$ 29,943	\$ 25,926	\$ 47,909	\$ 40,873
Amortization of inventory and property "step up" to fair value	31	-	1,288	-
Amortization and impairment of purchased intangible assets	11,418	3,728	16,516	7,675
Acquisition related transaction and integration costs	2,970	633	6,604	1,341
Loss (gain) from fair value adjustment of acquisition related contingent consideration	-	-	1,998	-
Restructuring	808	18	561	70
Adjusted Healthcare operating income	<u>\$ 45,170</u>	<u>\$ 30,305</u>	<u>\$ 74,876</u>	<u>\$ 49,959</u>
Life Sciences operating income	\$ 13,048	\$ 14,041	\$ 24,993	\$ 26,580
Amortization and impairment of purchased intangible assets	16	22	34	48
Acquisition related transaction and integration costs	50	-	50	-
Restructuring	124	-	110	-
Adjusted Life Sciences operating income	<u>\$ 13,238</u>	<u>\$ 14,063</u>	<u>\$ 25,187</u>	<u>\$ 26,628</u>
Isomedix operating income	\$ 14,399	\$ 13,712	\$ 30,590	\$ 28,430
Amortization and impairment of purchased intangible assets	84	317	168	634
Acquisition related transaction and integration costs	42	-	42	-
Restructuring	3	-	(22)	-
Adjusted Isomedix operating income	<u>\$ 14,528</u>	<u>\$ 14,029</u>	<u>\$ 30,778</u>	<u>\$ 29,064</u>

STERIS Corporation  
Unaudited Supplemental Financial Data  
Second Quarter Fiscal 2015  
As of September 30, 2014

	FY 2015	FY 2014	FY 2015	FY 2014
	Q2	Q2	YTD	YTD
<b>Total Company Revenues</b>				
Capital Equipment	\$ 143,488	\$ 135,303	\$ 263,883	\$ 259,197
Consumables	113,357	100,006	223,402	199,040
Service	205,884	148,453	388,087	293,177
Total Recurring	319,241	248,459	611,489	492,217
<b>Total Revenues, net</b>	<b>\$ 462,729</b>	<b>\$ 383,762</b>	<b>\$ 875,372</b>	<b>\$ 751,414</b>
<b>United States Revenues</b>	<b>\$ 365,482</b>	<b>\$ 297,650</b>	<b>\$ 682,833</b>	<b>\$ 586,003</b>
United States Revenues as a % of Total	79%	78%	78%	78%
<b>International Revenues</b>	<b>\$ 97,247</b>	<b>\$ 86,112</b>	<b>\$ 192,539</b>	<b>\$ 165,411</b>
International Revenues as a % of Total	21%	22%	22%	22%
<b>Segment Data</b>	<b>Q2</b>	<b>Q2</b>	<b>YTD</b>	<b>YTD</b>
<b>Healthcare</b>				
<b>Revenues</b>				
Capital Equipment	\$ 127,272	\$ 116,331	\$ 229,543	\$ 218,005
Consumables	90,558	79,938	178,828	158,501
Service	133,339	81,063	245,608	159,714
Total Recurring	223,897	161,001	424,436	318,215
Total Healthcare Revenues, net	<b>\$ 351,169</b>	<b>\$ 277,332</b>	<b>\$ 653,979</b>	<b>\$ 536,220</b>
<b>Operating Income</b>	<b>29,943</b>	<b>25,926</b>	<b>47,909</b>	<b>40,873</b>
Adjusted Operating Income (1)	45,170	30,305	74,876	49,959
<b>Life Sciences</b>				
<b>Revenues</b>				
Capital Equipment	\$ 16,216	\$ 18,972	\$ 34,340	\$ 41,192
Consumables	22,799	20,068	44,574	40,539
Service	20,133	19,342	38,848	36,566
Total Recurring	42,932	39,410	83,422	77,105
Total Life Sciences Revenues	<b>\$ 59,148</b>	<b>\$ 58,382</b>	<b>\$ 117,762</b>	<b>\$ 118,297</b>
<b>Operating Income</b>	<b>13,048</b>	<b>14,041</b>	<b>24,993</b>	<b>26,580</b>
Adjusted Operating Income (1)	13,238	14,063	25,187	26,628
<b>Isomedix Services</b>				
<b>Revenues</b>	<b>\$ 51,850</b>	<b>\$ 47,411</b>	<b>\$ 103,043</b>	<b>\$ 95,635</b>
<b>Operating Income</b>	<b>14,399</b>	<b>13,712</b>	<b>30,590</b>	<b>28,430</b>
Adjusted Operating Income (1)	14,528	14,029	30,778	29,064
<b>Corporate and Other</b>				
<b>Revenues</b>	<b>\$ 562</b>	<b>\$ 637</b>	<b>\$ 588</b>	<b>\$ 1,262</b>
<b>Operating Income (Loss)</b>	<b>(3,967)</b>	<b>(3,379)</b>	<b>(5,901)</b>	<b>(4,571)</b>
<b>Other Data</b>	<b>Q2</b>	<b>Q2</b>	<b>YTD</b>	<b>YTD</b>
<b>Product</b>				
Total product revenues	256,845	235,309	487,285	458,237
Total product cost of revenues	142,991	133,629	272,966	263,166
Restructuring expense	(336)	-	(450)	-
Amortization of inventory "step up" to fair value	-	-	1,234	-
Total product cost of revenues, adjusted (1)	143,327	133,629	272,182	263,166
<b>Total product gross profit, adjusted (1)</b>	<b>113,518</b>	<b>101,680</b>	<b>215,103</b>	<b>195,071</b>
As a percentage, adjusted (1)	44.2%	43.2%	44.1%	42.6%
<b>Service</b>				
Total service revenues	205,884	148,453	388,087	293,177
Total service cost of revenues	125,746	95,627	238,321	186,896
<b>Total service gross profit</b>	<b>80,138</b>	<b>52,826</b>	<b>149,766</b>	<b>106,281</b>
As a percentage	38.9%	35.6%	38.6%	36.3%
<b>Total Company gross profit margin, adjusted (1)</b>	<b>193,656</b>	<b>154,506</b>	<b>364,869</b>	<b>301,352</b>
As a percentage, adjusted (1)	41.9%	40.3%	41.7%	40.1%
Healthcare Backlog	\$ 117,178	\$ 133,375	\$ 117,178	\$ 133,375
Life Sciences Backlog	46,102	47,813	46,102	47,813
<b>Total Backlog</b>	<b>\$ 163,280</b>	<b>\$ 181,188</b>	<b>\$ 163,280</b>	<b>\$ 181,188</b>
<b>Free Cash Flow</b>	<b>\$ 46,084</b>	<b>\$ 21,979</b>	<b>\$ 69,177</b>	<b>\$ 32,943</b>
<b>Net Debt</b>	<b>\$ 472,537</b>	<b>\$ 344,726</b>	<b>\$ 472,537</b>	<b>\$ 344,726</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.