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

	Three Months Ended September 30,				Six Months Ended September 30,				
		2014		2013		2014		2013	
		(Unaudited)		(Unaudited)		(Unaudited)		(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									

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

	Se <sub>l</sub>	March 31, 2014	
Assets	(U		
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
Total Current Assets		673,535	674,745
Property, plant, and equipment, net		474,967	454,410
Goodwill and intangible assets, net		869,022	747,715
Other assets		9,883	10,292
Total Assets	\$	2,027,407	\$ 1,887,162
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$	90,436	\$ 102,430
Other current liabilities		154,444	152,076
Total Current Liabilities		244,880	254,506
Long-term debt		619,950	493,480
Other liabilities		94,717	97,930
Equity		1,067,860	1,041,246
Total Liabilities and Equity	\$	2,027,407	\$ 1,887,162

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

(		Three Mont				Six Months Ended September 30,					
		2014 20		2013	-	2014		2013			
	(U	(Unaudited)		(Unaudited)		(Unaudited) (U		(Unaudited)		(U	naudited)
Segment Revenues:											
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		

	Three Months Ended September 30,					Six Months Ended September 30,					
	2014 2013		2013		2014		2013				
	(Ur	naudited)	(Ur	naudited)		(Unaudited)	(U	naudited)			
Segment Operating Income:											
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)

	September 30,				
		2014	2013		
	(U	naudited)	(Unaudited)		
Operating Activities:					
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		104,908	80,045		
Investing Activities:					
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		(215,111)	(47,217)		
Financing Activities:					
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		108,103	(15,489)		
Effect of exchange rate changes on cash and cash equivalents		(3,289)	4,447		
Decrease in cash and cash equivalents		(5,389)	21,786		
Cash and cash equivalents at beginning of period		152,802	142,008		
Cash and cash equivalents at end of period	\$	147,413	163,794		

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.

**Six Months Ended** 

Six Months Ended

		ıber	30,	
		2014		2013
Calculation of Free Cash Flow:	(U	naudited)	(	Unaudited)
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
Free Cash Flow	\$	69,177	\$	32,943

	Twelve Months Ended March 31,					
Calculation of free cash flow for outlook:	2015					
		Outlook)				
Cash flows from operating activities	\$	230,000				
Purchases of property, plant, equipment, and intangibles, net		(95,000)				
Free Cash Flow	\$	135,000				

# 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 mo Septem	onths ended ber 30,		hs ended nber 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 acquistion 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 Acquisition related transaction and integration expenses, net	0.01	-	0.01	-
of tax	0.03	0.01	0.07	0.01
Adjusted net income per diluted share	\$0.68	\$0.55	\$1.22	\$0.98

#### 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	\$2.86 - \$2.91

<sup>\*</sup> All amounts are estimates.

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

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 September 30,			Six months ended September 30,				
	(U	<b>2014</b> Inaudited)	(L	<b>2013</b> Jnaudited)	(U	naudited)	2013 (Unaudit	
Gross Profit Amortization of inventory "step up" to fair value	\$	193,992	\$	154,506 -	\$	1,234	\$ 301	,352 -
Restructuring Adjusted gross profit	\$	(336) 193,656	\$	<u>-</u> 154,506	\$	(450) 364,869	\$ 301	,352
,			<u> </u>	101,000			<del>•</del> ••••	,002
Selling, general and administrative expenses  Amortization and impairment of purchased intangible assets  Amortization of property "step up" to fair value	\$	126,292 (11,518) (31)	\$	90,661 (4,067) -	\$	239,980 (16,718) (54)	•	1,590 3,357) -
Acquisition related transaction and integration costs (Loss) gain from fair value adjustment of acquistion related contingent consideration		(3,062)		(633) -		(6,696) (1,998)	(1	,341)
Adjusted selling, general and administrative expenses	\$	111,681	\$	85,961	\$		\$ 174	,892
Operating income Amortization of inventory and property "step up" to fair value	\$	53,423 31	\$	50,300 -	\$	97,591 1,288	\$ 91	,312 -
Amortization and impairment of purchased intangible assets Acquisition related transaction and integration costs		11,518 3,062		4,067 633		16,718 6,696		3,357 341,341
Loss (gain) from fair value adjustment of acquistion related contingent consideration Restructuring		935		- 18		1,998 649		- 70
Adjusted operating income	\$	68,969	\$	55,018	\$		\$ 101	,080,
Net income attributable to common shareholders Amortization of inventory and property "step up" to fair value	\$	31,004 25	\$	29,743	\$	55,541 1,030	\$ 62	2,060 -
Amortization and impairment of purchased intangible assets, net of tax Acquisition related transaction and integration costs Loss (gain) from fair value adjustment of acquistion related contingent consideration		7,098 1,868		2,481 386		10,342 4,085 1,219	5	5,098 818
Tax benefit, European restructuring		-		-		-	(9	- 9,245)
Restructuring, net of tax Adjusted net income attributable to common shareholders	\$	570 40,565	\$	11 32,621	\$	396 72,613	\$ 58	43 3,774
Adjusted flot income distributable to commen charefulació	Ψ	+0,000	Ψ	02,021	Ψ	72,010	φ 50	,,,,,,,
Healthcare operating income Amortization of inventory and property "step up" to fair value	\$	29,943	\$	25,926	\$	1,288		),873 -
Amortization and impairment of purchased intangible assets  Acquisition related transaction and integration costs		11,418 2,970		3,728 633		16,516 6,604		7,675 1,341
Loss (gain) from fair value adjustment of acquistion related contingent consideration Restructuring		808		- 18		1,998 561		- 70
Adjusted Healthcare operating income	\$	45,170	\$	30,305	\$	74,876	\$ 49	9,959
Life Sciences operating income	\$	13,048	\$	14,041	\$	•	\$ 26	6,580
Amortization and impairment of purchased intangible assets Acquisition related transaction and integration costs		16 50		22		34 50		48 -
Restructuring		124		_		110		
Adjusted Life Sciences operating income	\$	13,238	\$	14,063	\$	25,187	\$ 26	5,628
Isomedix operating income	\$	14,399	\$	13,712	\$	•	\$ 28	3,430
Amortization and impairment of purchased intangible assets Acquisition related transaction and integration costs		84 42		317		168 42		634 -
Restructuring		3		-	·	(22)		
Adjusted Isomedix operating income	\$	14,528	\$	14,029	\$	30,778	\$ 29	0,064

Total Company Revenues			FY 2015	FY 2014			FY 2015		FY 2014
Consumables	Total Company Revenues								
Consumables   113.357	. ,	\$	143,488	\$		\$	263,883	\$	259,197
Total Rocurring	·		113,357		100,006		223,402		199,040
Total Revenues, net   S	Service		205,884		148,453		388,087		293,177
United States Revenues as % of Total   779%   789	· ·			_	·				
Direct States Revenues as a % of Total International Revenues   \$7.97\$   \$78\$   \$78\$   \$78\$   \$18.58   \$18.58   \$11.58   \$18.58   \$11.58   \$12.59   \$2.29\$		\$	462,729	\$	383,762	\$	875,372	\$	751,414
International Revenues as a % of Total   \$2,276   \$86,112   \$19,578   \$166,741   \$226   \$229	United States Revenues	\$	365,482	\$	297,650	\$	682,833	\$	586,003
Segment Data	United States Revenues as a % of Total		79%						78%
Segment Data		\$	•		·	\$		\$	165,411
Revenues	International Revenues as a % of Total		21%		22%		22%		22%
Revenues	Segment Data		Q2		Q2		YTD		YTD
Capital Equipment   S   127,772   S   116,331   S   229,543   S   218,005   Service   90,558   79,938   178,828   158,501   Service   133,339   81,063   245,608   158,714   Total Recurring   223,897   161,001   424,436   318,215   Total Healthcare Revenues, net   S   351,169   S   277,332   S   633,979   S   506,220   Operating Income (1)   45,170   30,305   74,876   49,959   40,873   Adjusted Operating Income (1)   45,170   30,305   378,215   47,909   40,873   Adjusted Operating Income (1)   45,170   30,305   374,876   49,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959   40,873   40,959	Healthcare								
Consumables	Revenues								
Service	Capital Equipment	\$	127,272	\$	116,331	\$	229,543	\$	218,005
Total Recurring			•		·		,		,
Total Equity Services Revenues Operating Income (1)  Life Sciences Revenues Capital Equipment Capital			· · · · · · · · · · · · · · · · · · ·		·		· · · · · · · · · · · · · · · · · · ·		
Deprating Income	•		· · · · · · · · · · · · · · · · · · ·			_			
Adjusted Operating Income (1)         45,170         30,305         74,876         49,959           Life Sciences         Revenues         Capital Equipment         \$ 16,216         \$ 18,972         \$ 34,340         \$ 41,192           Consumables         22,799         20,068         344,574         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         59,148         58,382         \$ 117,762         \$ 118,297           Operating Income         13,048         14,041         24,993         28,580           Adjusted Operating Income (1)         13,238         14,063         25,167         26,628           Isomedix Services         8         51,850         \$ 47,411         \$ 103,043         \$ 95,635           Operating Income         14,399         13,712         30,590         28,430           Operating Income (Loss)         \$ 562         637         588         \$ 1,262           Operating Income (Loss)         \$ 256,845         235,309         487,285         458,237           Total product cost of revenues         \$ 256,845         235,309 <t< td=""><td>·</td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td></td></t<>	·	\$		\$		\$		\$	
Life Sciences   Revenues   Scapital Equipment   \$ 16,216   \$ 18,972   \$ 34,340   \$ 41,192   \$ 22,799   \$ 20,068   \$ 44,574   \$ 40,539   \$ 20,133   \$ 19,342   \$ 38,848   \$ 36,566   \$ 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	•		•				•		,
Revenues	Adjusted Operating Income (1)		45,170		30,305		74,876		49,959
Capital Equipment	Life Sciences								
Consumables   Service   22,799   20,068   44,574   40,539   Service   20,133   19,342   38,848   36,566   17 tal Recurring   42,932   39,410   83,422   77,105   101,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   10,525   111,762   1118,297   113,525   113,527   113,525   113,525   113,527   11									
Service	• • • •	\$		\$	,	\$	,	\$	· ·
Total Recurring			•		,		•		,
Total Life Sciences Revenues									
Departing Income   13,048	· · · · · · · · · · · · · · · · · · ·	Φ.	•	Φ.		Φ		Φ.	
Adjusted Operating Income (1)		Ф	·	Φ		Ф		Φ	
Services   Revenues   \$ 51,850   \$ 47,411   \$ 103,043   \$ 95,635   \$ Operating Income   14,399   13,712   30,590   28,430   \$ Adjusted Operating Income (1)   14,528   14,029   30,778   29,064   \$ Operating Income (1)   14,528   14,029   30,778   29,064   \$ Operating Income (1)   14,528   14,029   30,778   29,064   \$ Operating Income (Loss)   562   637   588   1,262   \$ Operating Income (Loss)   6,901			•						
Revenues	Adjusted Operating Income (1)		13,238		14,063		25,187		26,628
Operating Income         14,399         13,712         30,590         28,430           Adjusted Operating Income (1)         14,528         14,029         30,778         29,064           Corporate and Other Revenues         \$562         637         \$588         \$1,262           Operating Income (Loss)         (3,967)         (3,379)         (5,901)         (4,571)           Other Data         Q2         Q2         YTD         YTD           Product         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)         -           Restructuring expense (336)         -         (450)         -           Amortization of inventory "step up" to fair value 113,518         101,680         215,103         195,071           Total product goss profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product goss profit, adjusted (1)         143,237         133,629         272,182         263,166           Total product goss profit, adjusted (1)         143,278         148,453         388,087         293,177	Isomedix Services								
Adjusted Operating Income (1)  Corporate and Other Revenues (3,967)   562   637   588   1,262 (3,967)   (3,379)   (5,901)   (4,571)    Other Data   Q2   Q2   YTD   YTD    Product   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)   - (450)   - (450)    Total product cost of revenues, adjusted (1)   143,327   133,629   272,182   263,166    Total product gors profit, adjusted (1)   143,327   133,629   272,182   263,166    Total product gors profit, adjusted (1)   143,278   133,629   272,182   263,166    Total service gors profit   44.2%   43.2%   44.1%   42.6%    Service   Total service revenues   205,884   148,453   388,087   293,177    Total service gross profit   80,138   52,826   149,766   106,281    Total service gross profit   193,656   154,506   364,869   301,352    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   \$ 117,178   \$ 133,375   \$ 117,178   \$ 133,395    Life Sciences Backlog   \$ 117,178   \$ 133,375   \$ 117,178   \$ 133,395    Total Backlog   \$ 117,178   \$ 133,375   \$ 117,178   \$ 133,395    Total Backlog   \$ 117,178   \$ 133,375   \$ 117,178   \$ 133,395    Total Backlog   \$ 117,178   \$ 133,275   \$ 117,178   \$ 133,395    Total Backlog   \$ 117,178   \$ 133,275   \$ 117,178   \$ 133,395    Total Backlog   \$ 117,178   \$ 133,375   \$ 117,178   \$ 133,395    Total Backlog   \$ 163,280   \$ 181,188   \$ 163,280   \$ 181,188    Free Cash Flow   \$ 46,084   \$ 21,979   \$ 69,177   \$ 32,943	Revenues	\$	51,850	\$	,	\$	•	\$	95,635
Corporate and Other Revenues Operating Income (Loss)         \$ 562         \$ 637         \$ 588         \$ 1,262           Operating Income (Loss)         Q2         Q2         YTD         YTD           Product Total product revenues         256,845         235,309         487,285         458,237           Total product cost of revenues Restructuring expense         142,991         133,629         272,966         263,166           Restructuring expense         (336)         -         (450)         -           Amortization of inventory "step up" to fair value Total product cost of revenues, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         113,518         101,680         215,103         195,071           As a percentage, adjusted (1)         44.2%         43.2%         44.1%         42.6%           Service         205,884         148,453         388,087         293,177           Total service revenues         205,884         148,453         388,087         293,177           Total service gross profit         80,133         52,826         149,766         106,281	. •								
Revenues	Adjusted Operating Income (1)		14,528		14,029		30,778		29,064
Operating Income (Loss)         (3,967)         (3,379)         (5,901)         (4,571)           Other Data         Q2         Q2         YTD         YTD           Product         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           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         44.2%         43.2%         44.1%         42.6%           Service           Total service revenues         205,884         148,453         388,087         293,177           Total service gross profit         80,138         52,826         149,766         106,281           As a percentage         38	Corporate and Other								
Other Data         Q2         Q2         YTD         YTD           Product         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           Total product gross profit, adjusted (1)         113,518         101,680         215,103         195,071           As a percentage, adjusted (1)         44.2%         43.2%         44.1%         42.6%           Service         -         -         205,884         148,453         388,087         293,177           Total service revenues         205,884         148,453         388,087         293,177           Total service gross profit         80,138         52,826         149,766         106,281           As a percentage         38.9%         35.6%         38.6%         36.3%           Total Company gross profit margin, adjusted (1) </td <td>Revenues</td> <td>\$</td> <td>562</td> <td>\$</td> <td>637</td> <td>\$</td> <td>588</td> <td>\$</td> <td>1,262</td>	Revenues	\$	562	\$	637	\$	588	\$	1,262
Product         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           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         144,2%         43.2%         44.1%         42.6%           Service           Total service gross profit gross profit grownues         205,884         148,453         388,087         293,177           Total service gross profit gross profit grownues         125,746         95,627         238,321         186,896           Total service gross profit grownues         80,138         52,826	Operating Income (Loss)		(3,967)		(3,379)		(5,901)		(4,571)
Product         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           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         143,327         133,629         272,182         263,166           Total product gross profit, adjusted (1)         144,2%         43.2%         44.1%         42.6%           Service           Total service gross profit gross profit grownues         205,884         148,453         388,087         293,177           Total service gross profit gross profit grownues         125,746         95,627         238,321         186,896           Total service gross profit grownues         80,138         52,826	Other Data		Q2		Q2		YTD		YTD
Total product cost of revenues Restructuring expense Restructuring Respense Restructuring Restructure Restructure Restructure Restructure Restructure Restructure Restructure Restructure Restructure Restr					<u> </u>				
Restructuring expense	Total product revenues		256,845		235,309		487,285		458,237
Restructuring expense	Total product cost of revenues		1/2 001		133 620		272 066		263 166
Amortization of inventory "step up" to fair value Total product cost of revenues, adjusted (1) Total product gross profit, adjusted (1) As a percentage, adjusted (1) Total service revenues Total service gross profit As a percentage  Total Company gross profit margin, adjusted (1)  Healthcare Backlog Life Sciences Backlog Service  Total Backlog Service  Total Service revenues  125,746 95,627 238,321 186,896 106,281  193,656 154,506 364,869 301,352  40.3% 40.3% 41.7% 40.1%  Total Backlog Service  Total Service revenues  125,746 95,627 238,321 186,896 106,281  181,188 163,280 Service  181,188 Service  181,188 Service Service  181,188 Service Service  181,188 Service Se	•				133,029		·		203,100
Total product cost of revenues, adjusted (1)  Total product gross profit, adjusted (1)  As a percentage, adjusted (1)  Total service revenues  Total service gross profit  As a percentage  Total Company gross profit margin, adjusted (1)  As a percentage, adjusted (1)  Healthcare Backlog  Life Sciences Backlog  Service  Total Service revenues  125,746  95,627  238,321  186,896  106,281  38.9%  35.6%  364,869  301,352  41.7%  40.1%  40.1%  Healthcare Backlog  Service  Total Service revenues  125,746  95,627  238,321  186,896  106,281  193,656  154,506  364,869  301,352  40.1%  40.3%  41.7%  40.1%  40.1%  Total Backlog  Service  Total Service revenues  125,746  95,627  238,321  186,896  106,281  181,786  181,786  181,188  Total Service gross profit margin, adjusted (1)  41.9%  40.3%  41.7%  40.1%  40.1%  41.7%  40.1%  40	• •		(555)		_		` '		_
Total product gross profit, adjusted (1)         113,518         101,680         215,103         195,071           As a percentage, adjusted (1)         44.2%         43.2%         44.1%         42.6%           Service           Total service revenues         205,884         148,453         388,087         293,177           Total service cost of revenues         125,746         95,627         238,321         186,896           Total service gross profit         80,138         52,826         149,766         106,281           As a percentage         38.9%         35.6%         364,869         301,352           As a percentage, adjusted (1)         193,656         154,506         364,869         301,352           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           Total Backlog         \$ 163,280         \$ 181,188         \$ 163,280         \$ 181,188           Free Cash Flow         \$ 46,084         \$ 21,979         \$ 69,177         \$ 32,943			143.327		133.629				263.166
Service       44.2%       43.2%       44.1%       42.6%         Total service revenues       205,884       148,453       388,087       293,177         Total service cost of revenues       125,746       95,627       238,321       186,896         Total service gross profit       80,138       52,826       149,766       106,281         As a percentage       38.9%       35.6%       38.6%       36.3%         Total Company gross profit margin, adjusted (1)       193,656       154,506       364,869       301,352         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         Total Backlog       \$ 163,280       \$ 181,188       163,280       \$ 181,188         Free Cash Flow       \$ 46,084       \$ 21,979       \$ 69,177       \$ 32,943									
Total service revenues         205,884         148,453         388,087         293,177           Total service cost of revenues         125,746         95,627         238,321         186,896           Total service gross profit         80,138         52,826         149,766         106,281           As a percentage         38.9%         35.6%         38.6%         36.3%           Total Company gross profit margin, adjusted (1)         193,656         154,506         364,869         301,352           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           Total Backlog         \$ 163,280         \$ 181,188         163,280         \$ 181,188           Free Cash Flow         \$ 46,084         \$ 21,979         \$ 69,177         \$ 32,943	As a percentage, adjusted (1)		44.2%		43.2%		44.1%		42.6%
Total service revenues         205,884         148,453         388,087         293,177           Total service cost of revenues         125,746         95,627         238,321         186,896           Total service gross profit         80,138         52,826         149,766         106,281           As a percentage         38.9%         35.6%         38.6%         36.3%           Total Company gross profit margin, adjusted (1)         193,656         154,506         364,869         301,352           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           Total Backlog         \$ 163,280         \$ 181,188         163,280         \$ 181,188           Free Cash Flow         \$ 46,084         \$ 21,979         \$ 69,177         \$ 32,943	Service								
Total service cost of revenues         125,746         95,627         238,321         186,896           Total service gross profit         80,138         52,826         149,766         106,281           As a percentage         38.9%         35.6%         38.6%         36.3%           Total Company gross profit margin, adjusted (1)         193,656         154,506         364,869         301,352           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           Total Backlog         \$ 163,280         \$ 181,188         163,280         \$ 181,188           Free Cash Flow         \$ 46,084         \$ 21,979         \$ 69,177         \$ 32,943			205 884		1/12 //52		388 በደ7		202 177
Total service gross profit         80,138         52,826         149,766         106,281           As a percentage         38.9%         35.6%         38.6%         36.3%           Total Company gross profit margin, adjusted (1)         193,656         154,506         364,869         301,352           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           Total Backlog         \$ 163,280         \$ 181,188         \$ 163,280         \$ 181,188           Free Cash Flow         \$ 46,084         \$ 21,979         \$ 69,177         \$ 32,943			•		•		·		•
As a percentage 38.9% 35.6% 38.6% 36.3% Total Company gross profit margin, adjusted (1)  As a percentage, adjusted (1)  Healthcare Backlog Life Sciences Backlog Total Backlog  Free Cash Flow  Salay 35.6% 38.6% 36.3%									·
As a percentage, adjusted (1)  Healthcare Backlog Life Sciences Backlog Total Backlog  Free Cash Flow  41.9%  40.3%  41.7%  40.1	•								36.3%
As a percentage, adjusted (1)  Healthcare Backlog Life Sciences Backlog Total Backlog  Free Cash Flow  41.9%  40.3%  41.7%  40.1	Total Company gross profit margin adjusted (4)		102.656		151 506		264.960		201 252
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> \$ 163,280 \$ 181,188 \$ 163,280 \$ 181,188 <b>Free Cash Flow</b> \$ 46,084 \$ 21,979 \$ 69,177 \$ 32,943					,				
Life Sciences Backlog       46,102       47,813       46,102       47,813         Total Backlog       \$ 163,280       \$ 181,188       \$ 163,280       \$ 181,188         Free Cash Flow       \$ 46,084       \$ 21,979       \$ 69,177       \$ 32,943	, is a personlage, adjusted (1)		<b>→1.</b> 3/0		70.070		71.1 /0		+∪. 1 /0
Total Backlog       \$ 163,280       \$ 181,188       \$ 163,280       \$ 181,188         Free Cash Flow       \$ 46,084       \$ 21,979       \$ 69,177       \$ 32,943	<u> </u>	\$	·	\$	·	\$	·	\$	
Free Cash Flow \$ 46,084 \$ 21,979 \$ 69,177 \$ 32,943	· · · · · · · · · · · · · · · · · · ·						·		
	Total Backlog	\$	163,280	\$	181,188	\$	163,280	\$	181,188
	Free Cash Flow	\$	46.084	\$	21.979	\$	69.177	\$	32.943
1.00 TLC.00.01 1.00 GPF.17(1.10 GL7.1.01 L.0 GLZ.77)	Net Debt	\$	472,537	\$	344,726	\$	472,537	\$	344,726

(1) 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.

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.