
**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): February 4, 2015

STERIS Corporation
(Exact Name of Registrant as Specified in Charter)

Ohio
(State or Other Jurisdiction
of Incorporation)

1-14643
(Commission
File Number)

34-1482024
(IRS Employer
Identification No.)

5960 Heisley Road, Mentor, Ohio
(Address of Principal Executive Offices)

44060-1834
(Zip Code)

Registrant's telephone number, including area code: (440) 354-2600

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 2.02. Results of Operations and Financial Condition.

On February 4, 2015, STERIS issued a press release announcing financial results for its fiscal 2015 third quarter ended December 31, 2014. A copy of this press release is attached hereto as Exhibit 99.1.

The information contained in this Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished to the Securities and Exchange Commission and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. Furthermore, the information contained in this Item 2.02 of this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release issued by STERIS Corporation on February 4, 2015 announcing financial results for its fiscal 2015 third quarter ended December 31, 2014. |

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.

STERIS CORPORATION

By /s/ J. Adam Zangerle

J. Adam Zangerle

Vice President, General Counsel, and Secretary

Date: February 4, 2015

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press Release issued by STERIS Corporation on February 4, 2015 announcing financial results for its fiscal 2015 third quarter ended December 31, 2014.

**STERIS CORPORATION
NEWS ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

STERIS CORPORATION ANNOUNCES FISCAL 2015 THIRD QUARTER RESULTS

- *17% Increase in Revenue Fueled by Organic Growth and Acquisitions*
- *Diluted EPS Grows 31% on U.S. GAAP basis and 34% Adjusted*
- *Board of Directors Approves Quarterly Dividend*

Mentor, Ohio (February 4, 2015) - STERIS Corporation (NYSE: STE) today announced financial results for its fiscal 2015 third quarter ended December 31, 2014. Fiscal 2015 third quarter revenue increased 17% to \$473.2 million compared with \$405.6 million in the third quarter of fiscal 2014. As reported, net income was \$38.1 million, or \$0.63 per diluted share, compared with net income of \$28.5 million, or \$0.48 per diluted share in the third quarter of fiscal 2014.

Adjusted Results

On an adjusted basis, net income for the third quarter of fiscal 2015 was \$47.7 million, or \$0.79 per diluted share, compared with adjusted net income of \$34.9 million, or \$0.59 per diluted share in the same prior year period. Please refer to the attached schedules for additional information, including reconciliations of adjusted “non-GAAP financial measures” to reported results.

“We have made steady progress all year with solid sequential and year-over-year improvements, and we remain on track to deliver another record year at the high-end of our original EPS guidance range,” said Walt Rosebrough, President and CEO of STERIS Corporation. “We are successfully integrating our IMS business, and we are working diligently to close the acquisition of Synergy Health.”

Segment Results

Healthcare revenue in the quarter increased 21% to \$353.2 million compared with \$291.8 million in the third quarter of fiscal 2014. Healthcare organic revenue grew 3% in the quarter. Consumable revenue increased 12% and service revenue grew 60% driven by both organic growth and the acquisition of IMS. Capital equipment revenue grew 1% in the quarter. As reported, segment operating income was \$33.8 million compared with \$31.2 million in last year’s third quarter. Adjusted segment operating income increased 28% to \$47.9 million in the third quarter of fiscal 2015 compared with \$37.5 million in the same period last year. The increase in adjusted segment operating income year-over-year was primarily driven by improved gross margins, acquisitions and increased volume.

Life Sciences third quarter revenue increased 6% to \$68.0 million compared with \$64.1 million in the third quarter of fiscal 2014. Contributing to the quarter, consumable revenue increased 16% and service revenue grew 4%, while capital equipment revenue was essentially flat. As reported, segment operating income was \$16.4 million compared with \$12.1 million in last year's third quarter. The increase in operating income is primarily attributable to product mix and disciplined operating expense management.

Fiscal 2015 third quarter revenue for Isomedix Services increased 4% to \$51.0 million compared with \$49.2 million in the third quarter of fiscal 2014. As reported, segment operating income was \$12.5 million compared with \$14.1 million in last year's third quarter. Adjusted segment operating income decreased slightly to \$14.0 million in the quarter compared with \$14.4 million in the third quarter of last year, as the increase in volume was more than offset by higher quality and regulatory expenses.

Cash Flow

Net cash provided by operations for the first nine months of fiscal 2015 was \$165.2 million, compared with \$142.2 million in the same period last year. Free cash flow (see note 1) for the nine months of fiscal 2015 was \$109.3 million, compared with \$82.1 million in the first nine months of last year. The increase in free cash flow is primarily due to the impact of working capital improvements and lower capital expenditures.

Dividend Announcement

The Company also announced today that STERIS's Board of Directors has authorized a quarterly dividend of \$0.23 per common share. The dividend is payable March 25, 2015 to shareholders of record at the close of business on February 25, 2015.

Outlook

Based upon current trends, the Company anticipates total company revenue growth for fiscal 2015 of approximately 15%. The Company's expectations for adjusted earnings per diluted share are unchanged in the range of \$2.86 to \$2.91 for the full fiscal year. STERIS's outlook excludes any potential impact from the proposed Synergy Health acquisition.

Acquisition of Synergy Health

STERIS continues to work diligently to close the Synergy Health acquisition. In particular, the Company has filed with the Competition and Markets Authority (CMA) in the United Kingdom for review as of January 5, 2015. In addition, STERIS has received comments from the Securities and Exchange Commission on its Form S-4 and has filed Amended Form S-4s on January 7, 2015 and January 28, 2015. On January 9, 2015, STERIS received a second request from the Federal Trade Commission (FTC) and is cooperating with the FTC staff in the review of the transaction.

Conference Call

In conjunction with this release, STERIS Corporation management will host a conference call at 10:00 a.m. Eastern Standard time on February 4, 2015. The conference call can be heard live over the Internet at www.steris-ir.com or via phone by dialing 1-800-369-8428 in the United States and Canada, and 1-773-799-3378 internationally, then referencing the password "STERIS".

For those unable to listen to the conference call live, a replay will be available beginning at 12:00 p.m. Eastern Standard time on February 4, 2015 either over the Internet at www.steris-ir.com or via phone by calling 1-866-435-5408 in the United States and Canada, and 1-203-369-1028 internationally.

About STERIS

The mission of STERIS Corporation is to help our Customers create a healthier and safer world by providing innovative healthcare and life science product and service solutions around the globe. The Company is listed on the New York Stock Exchange under the symbol STE. For more information, visit www.steris.com.

U.K. Takeover Code Directors' Confirmation

Under Rule 28.1 of the U.K.'s City Code on Takeovers and Mergers (the "Takeover Code") which applies in light of our proposed acquisition of Synergy Health, our directors must provide a so-called "directors' confirmation" in respect of our Consolidated Net Income for the three months ended December 31, 2014

reported in this announcement (the “Net Income Statement”) and the outlook contained in this announcement (the “Outlook”) since they constitute an unaudited profit estimate and profit forecast respectively for the purposes of the Takeover Code. Accordingly, our directors confirm that:

1. (i) the Net Income Statement has been properly compiled on the basis of the assumptions contained or referred to in our Quarterly Report on Form 10-Q for the three months ended December 31, 2014;
2. (ii) the Outlook has been properly compiled on the basis of the assumptions contained in our current report on Form 8-K dated May 8, 2014 under the section captioned “Outlook”, and the assumptions contained in our Annual Report on Form 10-K for the year ended March 31, 2014 dated May 29, 2014; and
3. (iii) the basis of accounting used for the purposes of preparing Net Income Statement and the Outlook is consistent with our accounting policies.

Enquiries:

STERIS

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Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to STERIS and New STERIS and no one else in connection with the Combination and will not be responsible to anyone other than STERIS and New STERIS for providing the protections afforded to clients of Lazard & Co., Limited nor for providing advice in relation to the Combination or any other matters referred to in this Announcement. Neither Lazard & Co., Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard & Co., Limited in connection with this Announcement, any statement contained herein, the Combination or otherwise.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an

offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

No Offer or Solicitation

This press release and referenced conference call is provided for informational purposes only and does not constitute an offer to sell, or an invitation to subscribe for, purchase or exchange, any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this press release in any jurisdiction in contravention of applicable law.

Forward-Looking Statements

This press release and referenced conference call may contain statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to Synergy or STERIS or its industry, products or activities that are intended to qualify for the protections afforded “forward-looking statements” under the Private Securities Litigation Reform Act of 1995 and other laws and regulations. Forward-looking statements speak only as to the date of this press release and referenced conference call and may be identified by the use of forward-looking terms such as “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “targets,” “forecasts,” “outlook,” “impact,” “potential,” “confidence,” “improve,” “optimistic,” “deliver,” “comfortable,” “trend”, and “seeks,” or the negative of such terms or other variations on such terms or comparable terminology. Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or litigation, competitive factors, technology advances, actions of regulatory agencies, and changes in laws, government regulations, labeling or product approvals or the application or interpretation thereof. Other risk factors are described herein and in STERIS and Synergy’s other securities filings, including Item 1A of STERIS’s Annual Report on Form 10-K for the year ended March 31, 2014 dated May 29, 2014 and in Synergy’s annual report and accounts for the year ended 30 March 2014 (section headed “principal risks and uncertainties”). Many of these important factors are outside of STERIS’s or Synergy’s control. No assurances can be provided as to any result or the timing of any outcome regarding matters described in the press release, or the referenced conference call or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results. References to products and the consent decree are summaries only and should not be considered the specific terms of the decree or product clearance or literature. Unless legally required, STERIS and Synergy do not undertake to update or revise any forward-looking statements even if events make clear that any projected results, express or implied, will not be realized. Other potential risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, (a) the receipt of approval of both STERIS’s shareholders and Synergy’s shareholders, (b) the regulatory approvals required for the transaction not being obtained on the terms expected or on the anticipated schedule, (c) the parties’ ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction, (d) the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all and to successfully integrate Synergy’s operations into those of STERIS, (e) the integration of Synergy’s operations into those of STERIS being more difficult, time-consuming or costly than expected, (f) operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the transaction, (g) the retention of certain key employees of Synergy being difficult, (h) changes in tax laws or interpretations that could increase our consolidated tax liabilities, including, if the transaction is consummated, changes in tax laws that would result in New STERIS being treated as a domestic corporation for United States federal tax purposes, (i) the potential for increased pressure on pricing or costs that leads to erosion of profit margins, (j) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated, (k) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions, including without limitation those relating to FDA warning notices or letters, government investigations, the outcome of any pending FDA

requests, inspections or submissions, or other requirements or standards may delay, limit or prevent new product introductions, affect the production and marketing of existing products or services or otherwise affect STERIS's or Synergy's performance, results, prospects or value, (l) the potential of international unrest, economic downturn or effects of currencies, tax assessments, adjustments or anticipated rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs, (m) the possibility of reduced demand, or reductions in the rate of growth in demand, for STERIS's or Synergy's products and services, (n) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labor, competition, timing, execution, regulatory, governmental, or other issues or risks associated with STERIS and Synergy's businesses, industry or initiatives including, without limitation, the consent decree or those matters described in STERIS's Form 10-K for the year ended March 31, 2014 and other securities filings, may adversely impact STERIS's or Synergy's performance, results, prospects or value, (o) the possibility that anticipated financial results or benefits of recent acquisitions, or of STERIS's restructuring efforts will not be realized or will be other than anticipated, (p) the effects of the contractions in credit availability, as well as the ability of STERIS's and Synergy's customers and suppliers to adequately access the credit markets when needed, and (q) those risks described in STERIS's Annual Report on Form 10-K for the year ended March 31, 2014, and other securities filings.

Important Additional Information Regarding the Transaction Will Be Filed With the SEC

It is expected that the shares of New STERIS plc ("New STERIS") to be issued by New STERIS to Synergy Shareholders in the English law scheme of arrangement transaction that forms a part of the transaction will be issued in reliance upon the exemption from the registration requirements of the Securities Act of 1933, as amended, provided by Section 3(a)(10) thereof.

In connection with the issuance of New STERIS shares to STERIS shareholders pursuant to the merger that forms a part of the transaction, New STERIS has filed with the SEC a preliminary Registration Statement on Form S-4 that contains a preliminary prospectus of New STERIS as well as a preliminary proxy statement of STERIS relating to the merger that forms a part of the transaction, which we refer to together as the Proxy Statement/Prospectus.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, AND OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION CAREFULLY AND IN THEIR ENTIRETY, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION, THE PARTIES TO THE TRANSACTION AND THE RISKS ASSOCIATED WITH THE TRANSACTION. Those documents, if and when filed, as well as STERIS's and New STERIS's other public filings with the SEC may be obtained without charge at the SEC's website at www.sec.gov, at STERIS's website at www.steris-ir.com. Security holders and other interested parties will also be able to obtain, without charge, a copy of the Proxy Statement/Prospectus and other relevant documents (when available) by directing a request by mail or telephone Julie_Winter@steris.com or (440) 392-7245. Security holders may also read and copy any reports, statements and other information filed with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for further information on its public reference room.

STERIS, its directors and certain of its executive officers may be considered participants in the solicitation of proxies in connection with the transactions contemplated by the Proxy Statement/Prospectus. Information about the directors and executive officers of STERIS is set forth in its Annual Report on Form 10-K for the year ended March 31, 2014, which was filed with the SEC on May 29, 2014, and its proxy statement for its 2014 annual meeting of shareholders, which was filed with the SEC on June 9, 2014. Other information regarding potential participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement/Prospectus when it is filed.

Synergy and New STERIS are each organized under the laws of England and Wales. Some of the officers and directors of Synergy and New STERIS are residents of countries other than the United States. As a result, it may not be possible to sue Synergy, New STERIS or such persons in a non-US court for violations of US securities laws. It may be difficult to compel Synergy, New STERIS and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court or for investors to enforce against them the judgments of US courts.

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 (Unaudited) | March 31, 2014 |
|-------------------------------------|-------------------------------------|---------------------|
| Assets | | |
| 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 |
| Total Current Assets | 671,551 | 674,745 |
| Property, plant, and equipment, net | 475,485 | 454,410 |
| Goodwill and intangible assets, net | 861,438 | 747,715 |
| Other assets | 19,334 | 10,292 |
| Total Assets | \$ 2,027,808 | \$ 1,887,162 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 78,942 | \$ 102,430 |
| Other current liabilities | 165,499 | 152,076 |
| Total Current Liabilities | 244,441 | 254,506 |
| Long-term debt | 610,680 | 493,480 |
| Other liabilities | 96,589 | 97,930 |
| Equity | 1,076,098 | 1,041,246 |
| Total Liabilities and Equity | \$ 2,027,808 | \$ 1,887,162 |

STERIS Corporation
Segment Data
(In thousands)

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---------------------------|------------------------------------|-------------|-----------------------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Segment Revenues: | | | | |
| 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 December 31, | | Nine Months Ended December 31, | |
|----------------------------------|------------------------------------|-------------|-----------------------------------|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Segment Operating Income: | | | | |
| 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 (Unaudited) | 2013 (Unaudited) |
| Operating Activities: | | |
| 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> |
| Investing Activities: | | |
| 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> |
| Financing Activities: | | |
| 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 | <u>(8,260)</u> | <u>4,735</u> |
| Increase (decrease) in cash and cash equivalents | <u>(8,290)</u> | <u>15,329</u> |
| Cash and cash equivalents at beginning of period | <u>152,802</u> | <u>142,008</u> |
| 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 (Unaudited) | 2013 (Unaudited) |
| Calculation of Free Cash Flow: | | |
| 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 |
| Free Cash Flow | <u>\$ 109,265</u> | <u>\$ 82,134</u> |

| | Twelve Months Ended March 31, 2015 (Outlook)* |
|---|--|
| Calculation of free cash flow for outlook: | |
| Cash flows from operating activities | \$ 230,000 |
| Purchases of property, plant, equipment, and intangibles, net | (95,000) |
| Free Cash Flow | <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 December 31, | | Nine months ended December 31, | |
|--|------------------------------------|---------------------|-----------------------------------|---------------------|
| | 2014 (Unaudited) | 2013 (Unaudited) | 2014 (Unaudited) | 2013 (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 | <u>\$ 0.79</u> | <u>\$ 0.59</u> | <u>\$ 2.01</u> | <u>\$ 1.57</u> |

| | 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 | <u>\$ 2.86-\$2.91</u> |

* 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.

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| | Three months ended December 31, | | Nine months ended December 31, | |
|--|------------------------------------|---------------------|-----------------------------------|---------------------|
| | 2014 (Unaudited) | 2013 (Unaudited) | 2014 (Unaudited) | 2013 (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

| | <u>FY 2015</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2014</u> |
|--|------------------|------------------|--------------------|--------------------|
| | <u>Q3</u> | <u>Q3</u> | <u>YTD</u> | <u>YTD</u> |
| Total Company Revenues | | | | |
| 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 |
| Total Revenues | \$473,244 | \$405,551 | \$1,348,616 | \$1,156,965 |
| United States Revenues | \$367,059 | \$314,589 | \$1,049,892 | \$ 900,592 |
| United States Revenues as a % of Total | 78% | 78% | 78% | 78% |
| International Revenues | \$106,185 | \$ 90,962 | \$ 298,724 | \$ 256,373 |
| International Revenues as a % of Total | 22% | 22% | 22% | 22% |
| Segment Data | <u>Q3</u> | <u>Q3</u> | <u>YTD</u> | <u>YTD</u> |
| Healthcare | | | | |
| Revenues | | | | |
| 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 | <u>\$353,197</u> | <u>\$291,831</u> | <u>\$1,007,176</u> | <u>\$ 828,051</u> |
| Operating Income | <u>33,843</u> | <u>31,238</u> | <u>81,752</u> | <u>72,111</u> |
| Adjusted Operating Income (1) | 47,916 | 37,535 | 120,840 | 87,487 |
| Life Sciences | | | | |
| Revenues | | | | |
| 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 | <u>\$ 67,997</u> | <u>\$ 64,128</u> | <u>\$ 185,759</u> | <u>\$ 182,425</u> |
| Operating Income | <u>16,402</u> | <u>12,092</u> | <u>41,395</u> | <u>38,672</u> |
| Adjusted Operating Income (1) | 16,482 | 12,115 | 41,615 | 38,742 |
| Isomedix Services | | | | |
| Revenues | <u>\$ 50,960</u> | <u>\$ 49,157</u> | <u>\$ 154,003</u> | <u>\$ 144,792</u> |
| Operating Income | <u>12,508</u> | <u>14,054</u> | <u>43,098</u> | <u>42,484</u> |
| Adjusted Operating Income (1) | 14,006 | 14,374 | 44,792 | 43,439 |
| Corporate and Other | | | | |
| Revenues | <u>\$ 1,090</u> | <u>\$ 435</u> | <u>\$ 1,678</u> | <u>\$ 1,697</u> |
| Operating Income (Loss) | <u>(1,407)</u> | <u>(1,494)</u> | <u>(7,308)</u> | <u>(6,065)</u> |
| Other Data | <u>Q3</u> | <u>Q3</u> | <u>YTD</u> | <u>YTD</u> |
| Product | | | | |
| 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) | <u>150,131</u> | <u>144,884</u> | <u>422,313</u> | <u>408,051</u> |
| Total product gross profit, adjusted (1) | <u>117,154</u> | <u>107,732</u> | <u>332,257</u> | <u>302,802</u> |
| As a percentage, adjusted (1) | 43.8% | 42.6% | 44.0% | 42.6% |
| Service | | | | |
| Total service revenues | 205,959 | 152,935 | 594,046 | 446,112 |
| Total service cost of revenues | 125,924 | 96,892 | 364,245 | 283,787 |
| Total service gross profit | <u>80,035</u> | <u>56,043</u> | <u>229,801</u> | <u>162,325</u> |
| As a percentage | 38.9% | 36.6% | 38.7% | 36.4% |
| Total Company gross profit margin, adjusted (1) | <u>197,189</u> | <u>163,775</u> | <u>562,058</u> | <u>465,127</u> |
| 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 |
| Total Backlog | <u>\$181,554</u> | <u>\$204,386</u> | <u>n/a</u> | <u>n/a</u> |
| Free Cash Flow | <u>\$ 40,088</u> | <u>\$ 49,191</u> | <u>\$ 109,265</u> | <u>\$ 82,134</u> |
| Net Debt | <u>\$466,168</u> | <u>\$317,403</u> | <u>n/a</u> | <u>n/a</u> |

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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.