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) January 30, 2008

STERIS Corporation (Exact name of registrant as specified in its 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))

ITEM 2.02. Results of Operations and Financial Condition.

On January 30, 2008, STERIS issued a press release announcing financial results for its fiscal 2008 third quarter ended December 31, 2007. A copy of this press release is attached hereto as Exhibit 99.1.

The information contained in 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 the 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 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

Exhibit No. Description

99.1 Press Re

Press Release issued by STERIS Corporation on January 30, 2008 regarding its results of operations and financial condition for its fiscal 2008 third quarter ended December 31, 2007.

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/ Mark D. McGinley

Mark D. McGinley

Senior Vice President, General Counsel and Secretary

Date: January 30, 2008

EXHIBIT INDEX

Exhibit Number 99.1

Exhibit Description
Press Release issued by STERIS Corporation on January 30, 2008 regarding its results of operations and financial condition for its fiscal 2008 third quarter ended December 31, 2007.



STERIS CORPORATION NEWS ANNOUNCEMENT FOR IMMEDIATE RELEASE

STERIS CORPORATION ANNOUNCES

FISCAL 2008 THIRD QUARTER RESULTS

Mentor, Ohio (January 30, 2008)—STERIS Corporation (NYSE: STE) today announced financial results for its fiscal 2008 third quarter ended December 31, 2007. Fiscal 2008 third quarter revenues increased 5% to \$314.0 million compared with \$299.0 million in the third quarter of fiscal 2007, driven by growth in all three segments.

Fiscal 2008 third quarter net income was \$21.8 million, or \$0.34 per diluted share, compared with net income of \$21.3 million, or \$0.33 per diluted share, in the third quarter of fiscal 2007. Included in net income for the third quarter of fiscal 2008 and 2007 are expenses associated with the Erie to Mexico transfer of manufacturing operations, which negatively impacted diluted earnings per share by \$0.01 and \$0.03, respectively. Additionally, the fiscal 2007 third quarter included a gain related to discontinued operations, which contributed \$0.01 to diluted earnings per share.

"While demand remains strong across our operations with revenue growth in all three segments and record backlog levels, we are experiencing a slower than anticipated ramp up in production levels at our new Monterrey, Mexico manufacturing facility," said Walt Rosebrough, President and Chief Executive Officer of STERIS. "Because these capital products have long lead times, these delays have had minimal impact in meeting customer requirements. However, these delays did temper shipment levels and added incremental manufacturing costs beyond where we expected them to be. Currently, our production levels approximate our expected average monthly run rate, which bodes well for better throughput levels in subsequent quarters.

"As we had indicated previously, our performance expectations for the current fiscal year were heavily weighted to the second half. While we are capturing labor cost savings in Mexico, we will not reach the production levels we originally required to achieve our second half revenue and earnings levels. Additionally, raw material cost increases have continued. As a result, we have lowered our earnings

expectations for the full fiscal year. While we are disappointed that near-term performance will fall short, we are encouraged that the fundamentals of our business remain strong, as evidenced by strong order growth, record backlog levels, new product introductions, and strong free cash flow."

Quarterly Segment Results

Healthcare revenues in the quarter increased 5% to \$220.5 million compared with the third quarter of fiscal 2007. Revenue growth was primarily driven by strength in consumables, as well as solid demand for service. Capital equipment revenues were flat compared with the prior year quarter and partially reflected reduced volume throughput at the Company's Monterrey, Mexico manufacturing facility. Order backlog levels grew to a record \$107.3 million, an increase of 22% compared with the prior year period. Operating income increased 2% year-over-year to \$26.2 million. Sales channel and marketing investments related to new product offerings and increased research and development expenses impacted operating income levels.

Life Sciences third quarter revenues were \$59.0 million, an increase of 5% compared with the third quarter of fiscal 2007. The segment experienced growth in capital equipment for the research market as well as service and consumables. However, delayed project activity among customers in the pharmaceutical market affected revenues in the quarter. Order backlog increased 30% to \$58.3 million compared with the prior year period. Life Sciences operating income was \$0.8 million in the quarter compared with \$2.5 million in the third quarter of fiscal 2007. Operating income levels were primarily impacted by increased research and development expenses related to product enhancements and by foreign exchange translation.

Fiscal 2008 third quarter revenues for Isomedix Services were \$34.6 million, an increase of 4% compared with the same period last year. Revenue growth was primarily driven by increased demand from medical device customers and routine price increases. Operating income increased 12% compared with the prior year quarter to \$6.4 million, reflecting increased volumes and pricing.

Cash Flow

Net cash provided by operations in the first nine months of fiscal 2008 was \$94.5 million, compared with net cash provided by operations of \$41.4 million in the first nine months of fiscal 2007. Net cash provided by operations in the fiscal 2007 period included a \$27.6 million payment to the IRS for tax expenses previously incurred. Free cash flow (see note 1) for the first nine months of fiscal 2008 was \$60.1 million, compared with free cash flow of \$10.9 million in the first nine months of fiscal 2007. During the third quarter of fiscal 2008, the Company completed the sale of its Erie, Pennsylvania manufacturing facility, which added \$4.7 million to free cash flow.

During the quarter, the Company repurchased 1,453,200 shares of its common stock at an average price of \$27.97 per common share for a total amount of \$40.6 million. For the first nine months of fiscal 2008, the Company has repurchased 3,406,531 shares of its common stock at an average price of \$28.26 for a total amount of \$96.3 million. Approximately \$225 million remains under the current share repurchase authorization.

Outlook

Based upon year-to-date results and current anticipated trends, the Company expects revenue growth in the range of 4-5% and earnings per diluted share of \$1.30 to \$1.35 for the full fiscal year. This revised outlook largely reflects the impact of the slower than anticipated ramp in production levels at the Company's manufacturing facility in Monterrey, Mexico.

Conference Call

In conjunction with this press release, STERIS Corporation management will host a conference call today at 10:00 a.m. Eastern time. The conference call can be heard live over the Internet at www.steris-ir.com or via phone by dialing 1-888-392-9976 in the United States and Canada, and 1-517-645-6486 internationally, then referencing the password "STERIS" and the conference leader's name, "Aidan Gormley."

For those unable to listen to the conference call live, a replay will be available from 12:00 p.m. Eastern time on January 30, 2008, until 5:00 p.m. Eastern time on February 13, 2008, either over the Internet at www.steris-ir.com or via phone by calling 1-800-756-3940 in the United States and Canada, and 1-402-998-0796 internationally.

About STERIS

The mission of STERIS Corporation is to provide a healthier today and safer tomorrow through knowledgeable people and innovative infection prevention, decontamination and health science technologies, products and services. The Company's more than 5,000 dedicated employees around the world work together to supply a broad array of solutions by offering a combination of equipment, consumables and services to healthcare, pharmaceutical, industrial and government customers. The Company is listed on the New York Stock Exchange under the symbol STE. For more information, visit www.steris.com.

Contact: Aidan Gormley, Senior Director, Corporate Communications and Investor Relations at 440-392-7607.

(1) Free cash flow is a non-GAAP number used by the Company as a measure to gauge its ability to fund future growth opportunities, repurchase common shares, and pay cash dividends. Free cash flow is defined 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. STERIS's calculation of free cash flow may vary from other companies.

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This news release and the conference call referenced here may contain statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to the Company or its industry 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 report, and may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," "confidence," 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, and changes in government regulations or the application or interpretation thereof. Other risk factors are described in the Company's Form 10-K and other securities filings. Many of these important factors are outside STERIS's control. No assurances can be provided as to any future financial results. Unless legally required, the Company does 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 potential for increased pressure on pricing that leads to erosion of profit margins, (b) the possibility that market demand will not develop for new technologies, products or applications, or the Company's business initiatives will take longer, cost more or produce lower benefits than anticipated, (c) the possibility that application of or compliance with laws, court rulings, regulations, certifications or other requirements or standards may delay or prevent new product introductions, affect the production and marketing of existing products, or otherwise affect Company performance, results, or value, (d) the potential of international unrest or effects of fluctuations in currencies, tax assessments or rates, raw material costs, benefit or retirement plan costs, or other regulatory compliance costs, (e) the possibility of

reduced demand, or reductions in the rate of growth in demand, for the Company's products and services, and (f) the possibility that anticipated cost savings may not be achieved, or that transition, labor, competition, timing, execution, regulatory, governmental, executive transition or other issues or risks associated with the matters described in this release, or the referenced conference call, may adversely impact Company performance, results, or value.

STERIS Corporation

Consolidated Condensed Statements of Income

(In thousands, except per share data)

Propess			Three Months Ended December 31,		Nine Months Ended December 31,	
Revenues \$13,376 \$20,00 \$19,300 \$10,300 <t< th=""><th></th><th>2007</th><th>2006</th><th>2007</th><th>2006</th></t<>		2007	2006	2007	2006	
Got of reverses 18,37,5 17,36 51,339 487,38 Coss sperifs 130 130 12,10 13,20 38,30 Operating expenses 85,61 25,224 26,00 24,30 26,00 27,30 25,24 26,00 27,30 25,25 26,10 25,20 26,00 27,30 25,25 26,10 25,20 26,20 <t< th=""><th>Devianues</th><th></th><th></th><th></th><th>(Unaudited)</th></t<>	Devianues				(Unaudited)	
Gross profit 19a1,99 12.701 72.501 39.803 Operating expenses: Selling general, and administrative 85.612 82.594 26.010 24.3788 Research and development 952 3.179 3.41 5.44 Research and development 963 3.179 3.45 5.44 Income from operations 365 1.23 2.27 3.27 1.27 25.30 Income from operations of development 955 1.123 2.97 3.28 1.20 2.20 3.80 Income from operations before income tax expense 10.73 1.129 2.73 3.80 1.20 2.20 3.80 1.20 2.20 3.80 1.20 2.20 3.80 1.20 2.20 3.80 1.20 2.20 3.80 1.20 2.20 1.20 2.20 1.20 2.20 1.20 2.20 2.20 1.20 2.20 2.20 2.20 2.20 2.20 2.20 2.20 2.20 2.20 2.20 2.20 2.20						
Operating expenses 85,61 general, and administrative 85,61 general, and administrative 85,61 general, and administrative 24,01 general sequence 24,00 general sequence						
Selling general, and administrative 8,61		150,155	127,701	372,301	333,037	
Restricturing expense 950 (2016) 2017 (2016) 2018 (2016)<		05.010	02.504	200 100	2.42.700	
Research and development 19,73 20,78 27,963 27,950 27				-		
Page				-		
Income from operations 34,82 35,85 81,77 35,25 32,75 3,78	Kesearch and development					
Non-operating expense. net florome from continuing operations before income tax expense 35,27 70,09 20,000 20,000 20,000 20,000 20,000 20,000 20,000 20,000 20,000 20,000 20,000 20,000 50,000 <th< td=""><td>Income from operations</td><td></td><td></td><td></td><td></td></th<>	Income from operations					
Income from continuing operations before income tax expense 36,27 31,75 30,80 30,73 Income fax expense 10,75 10,86 30,79 31,20 Galin or sake of discominuod operations 21,76 20,88 50,99 51,208 Ke tincome 52,70	-					
Income from communiting operations 10,76 11,85 20,908 50,795 51,250 50,705 51,250 50,705 51,250 50,705 51,250 50,705 51,250 50,2						
Income from continuing operations 21,76 80,86 50,97 \$12,08 Oxili on sol of discontinued operations, net of tax 32,77 \$1,209 \$0,038 Net income \$21,76 \$1,209 \$0,203 \$5,247 Eminisary per common share (EPS) data: \$0,20<	- · · · · · · · · · · · · · · · · · · ·					
Gain oals of discontinued operations, net of tax is believed. d. 10,500 \$ 10,500	Income from continuing operations					
Part		<u> </u>	431	_	1,058	
Pasic samings per common share Continuing operations S. 0.5 S. 0.5	Net income	\$ 21,776	\$ 21,299	\$ 50,997	\$ 52,347	
Pasic samings per common share Continuing operations S. 0.5 S. 0.5	Earnings per common share (EPS) data:					
Discontinued operations 5 0.01 0 0.02 Net income \$0.30 \$0.30 \$0.00 \$0.00 Dilucted earnings per common share \$0.41 \$0.22 \$0.75 \$0.78 \$0.00						
Net income 5.035 5.035 \$0.80 \$0.80 Diluted earnings per common share TOUTION (apperations) \$0.34 \$0.32 \$0.79 \$0.78 Discontinued operations \$0.34 \$0.33 \$0.79 \$0.00 Ret income \$0.04 \$0.05 \$0.01 \$0.00 Cash dividends declared per common share outstanding \$0.06 \$0.05 \$0.17 \$0.30 Salsi number of common shares outstanding \$0.295 \$0.473 \$6.79 \$6.756 Weighted average number of common shares outstanding \$0.295 \$6.79 \$6.795 \$6.756 Diluted number of common shares outstanding \$0.895 \$6.79 \$6.295 \$6.79 \$6.295 STERIS Corporation Common shares outstanding \$0.895 \$6.79 \$6.295 \$6.79 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6.795 \$6		\$ 0.35	\$ 0.32	\$ 0.80	\$ 0.78	
Diluted earnings per common share \$0.34 \$0.32 \$0.79 \$0.78 Continuing operations — 0.01 — 0.02 \$0.08 \$0.03 \$0.03 \$0.08 \$0.50 \$0.08 \$0.50 \$0.08 \$0.50 \$0.08 \$0.50 \$0	Discontinued operations				0.02	
Continuing operations \$ 0.00 0.00	Net income	\$ 0.35	\$ 0.33	\$ 0.80	\$ 0.80	
Discontinued operations — 0.01 — 0.02 Net income 5 0.34 5 0.33 5 0.79 2 0.80 Cash dividends declared per common share outstanding 5 0.60 5 0.05 5 0.17 5 0.33 Weighted average number of common shares outstanding used in EPS computation: Basic number of common shares outstanding 62,995 64,73 64,03 65,255 Diluted number of common shares outstanding 63,33 65,30 64,30 64,30 65,255 Diluted number of common shares outstanding 62,995 64,73 64,03 65,255 Diluted number of common shares outstanding 62,995 64,73 64,03 65,255 Diluted number of common shares outstanding 62,995 64,73 64,03 65,255 Diluted number of common shares outstanding 62,295 64,03 64,03 64,93 62,295 STERIS Corporation 2 62,295 62,296 82,296 82,296 82,296 82,296 82,296 82,296 82,296 82,296 82,296 82,296 82,296 82,	Diluted earnings per common share					
Net income 5.0.34 5.0.35 5.0.75 5.0.80 Cash dividends declared per common shares outstanding 5.0.6 5.0.75 5.0.13 5.0.3 Weighted average number of common shares outstanding used in EPS computation: 62.995 64.73 64.73 65.255 Diluted number of common shares outstanding 63.86 65.30 64.93 65.795 STERIS Corporation Consolidated Condensed Balance Sheets Interval and Explain the Sheets Consolidated Condensed Balance Sheets Consolidated Condensed Balance Sheets Consolidated Condensed Balance Sheets Interval and Explain the Sheets Consolidated Condensed Balance Sheets Consolidated Condensed Balance Sheets Consolidated Condensed Balance Sheets Consolidated Condensed Balance Sheets Condensed Balance Sheets Condensed Selaters Condensed Selaters 55.388 55.286 55.286 52.296 20.212 20.212 20.212 20.212 20.221		\$ 0.34	\$ 0.32	\$ 0.79	\$ 0.78	
Cash dividends declared per common share outstanding \$0.66 \$0.07 \$0.17 \$0.13 Weighted average number of common shares outstanding 62,995 64,73 64,073 65,295 61,705 65,795 <	Discontinued operations				0.02	
Weighted average number of common shares outstanding used in EPS computation: Basic number of common shares outstanding 62,995 64,737 64,073 65,255 67,076 65,255 67,076 64,073 64,073 65,255 67,076 <td>Net income</td> <td>\$ 0.34</td> <td>\$ 0.33</td> <td>\$ 0.79</td> <td>\$ 0.80</td>	Net income	\$ 0.34	\$ 0.33	\$ 0.79	\$ 0.80	
Basic number of common shares outstanding Diluted number of common shares outstanding 62,995 (64,37) (64,97) (64,93) (65,96) STERIS Corporation Considiated Condensed Balance Sheets (In thousands) Long term depth of the property of the current liabilities because of the part of the par	Cash dividends declared per common share outstanding	\$ 0.06	\$ 0.05	\$ 0.17	\$ 0.13	
Basic number of common shares outstanding Diluted number of common shares outstanding 62,995 (64,37) (64,97) (64,93) (65,96) STERIS Corporation Considiated Condensed Balance Sheets (In thousands) Long term depth of the property of the current liabilities because of the part of the par	Weighted average number of common shares outstanding used in EPS computation:					
Diluted number of common shares outstanding 63,86 65,40 64,91 65,796 STERIS Corporation Consolidated Condensed Balance Sheets (In thousands) Image: Condense of Balance Sheets (In thousands) Image: Condense of Balance Sheets (In thousands) Total Current assers Cash and cash equivalents 55,388 52,296 Accounts receivable, net 201,213 251,207 Inventories, net 164,436 131,997 Other current assers 201,213 49,220 Total Current Assets 332,141 49,220 Property, plant, and equipment, net 333,241 332,947 Other assets 333,241 332,947 Other assets 333,241 332,947 Total Assets 31,937 5,201,700 Total Varient Habilities 31,947 5,201,700 Cookwill and intangible assets, net 33,241 332,947 Other current liabilities 1,947 5,201,700 Total Current Liabilities 1,948 5,104 <t< td=""><td></td><td>62,995</td><td>64,737</td><td>64,073</td><td>65,255</td></t<>		62,995	64,737	64,073	65,255	
Consolidated Condensed Balance Sheets (In thousands) Light (In thousands) December 3 (2007 a) (63,836	65,340	64,931	65,796	
In thousands) December 31, 2007 (2007) March 31, 2007 (2007) Second 52, 2007 (2007)	STERIS Corporation					
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Cash and cash equivalents \$55,388 \$52,296 Accounts receivable, net 201,213 251,207 Inventories, net 164,436 131,997 Other current assets 52,174 49,220 Total Current Assets 473,211 484,720 Property, plant, and equipment, net 384,991 388,899 Goodwill and intangible assets, net Other assets 333,241 332,947 Other assets \$1,94,795 \$1,209,170 Liabilities and Shareholders' Equity \$62,586 \$76,184 Current liabilities \$62,586 \$76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292						
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Other current assets 52,174 49,220 Total Current Assets 473,211 484,720 Property, plant, and equipment, net 384,991 388,899 Goodwill and intangible assets, net Other assets 333,241 332,947 Other assets 5,194,795 2,604 Total Assets 5,194,795 1,209,170 Liabilities and Shareholders' Equity 562,586 76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292					251,207	
Total Current Assets 473,211 484,720 Property, plant, and equipment, net 384,991 388,899 Goodwill and intangible assets, net 333,241 332,947 Other assets 3,352 2,604 Total Assets \$1,194,795 \$1,209,170 Liabilities and Shareholders' Equity Standard Shareholders' Equity Current liabilities: Accounts payable \$62,586 \$76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292	Inventories, net			164,436	131,997	
Property, plant, and equipment, net 384,991 388,899 Goodwill and intangible assets, net 333,241 332,947 Other assets 3,352 2,604 Total Assets \$1,194,795 \$1,209,170 Liabilities and Shareholders' Equity *** *** Current liabilities: *** Accounts payable \$62,586 \$76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292			_	52,174	49,220	
Goodwill and intangible assets, net Other assets 333,241 332,947 3352 2,604 Total Assets \$1,194,795 \$1,209,170 Liabilities and Shareholders' Equity Current liabilities: Accounts payable \$62,586 \$76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292	Total Current Assets			473,211	484,720	
Goodwill and intangible assets, net Other assets 333,241 332,947 3352 2,604 Total Assets \$1,194,795 \$1,209,170 Liabilities and Shareholders' Equity Current liabilities: Accounts payable \$62,586 \$76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292	Property, plant, and equipment, net			384,991	388,899	
Total Assets \$1,194,795 \$1,209,170 Liabilities and Shareholders' Equity Current liabilities: Accounts payable \$62,586 \$76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292					332,947	
Liabilities and Shareholders' Equity Current liabilities: Accounts payable \$62,586 \$76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 774,292				3,352	2,604	
Current liabilities: Accounts payable \$ 62,586 \$ 76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292	Total Assets		\$	1,194,795	\$1,209,170	
Current liabilities: Accounts payable \$ 62,586 \$ 76,184 Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292	Liabilities and Shareholders' Equity		_			
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Other current liabilities 136,699 141,215 Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292			\$	62,586	\$ 76.184	
Total Current Liabilities 199,285 217,399 Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292			<u> </u>		141,215	
Long-term debt 132,225 100,800 Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292			_		217,399	
Other liabilities 109,344 116,679 Shareholders' equity 753,941 774,292	Long-term debt					
Shareholders' equity 753,941 774,292				•		
	Total Liabilities and Shareholders' Equity		\$		\$ 1,209,170	

STERIS Corporation Segment Data (In thousands)

	Three Mor Decem	nths Ended ber 31,	Nine Months Ended December 31,	
	2007 (Unaudited)	2006 (Unaudited)	2007 (Unaudited)	2006 (Unaudited
Segment Revenues:	(Chanacta)	(Chadaicea)	(Chadanca)	(Chanadae
Healthcare	\$ 220,451	\$ 209,807	\$ 622,826	\$ 594,032
Life Sciences	58,968	56,062	162,274	154,394
STERIS Isomedix Services	34,555	33,098	104,820	99,144
Total Segment Revenues	\$ 313,974	\$ 298,967	\$ 889,920	\$ 847,570
Segment Operating Income:	ф. ac aaa	ф 25 F00	¢ 50.053	ф. C7.1.45
Healthcare Life Sciences	\$ 26,222 813	\$ 25,598 2,534	\$ 59,952 1,391	\$ 67,142
STERIS Isomedix Services	6,427	5,718	20,134	1,496 17,212
Total Segment Operating Income	\$ 33,462	\$ 33,850	\$ 81,477	\$ 85,850
STERIS Corporation Consolidated Condensed Statements of Cash Flows (In thousands)				
		Nine Months Ended December 31,		

		Nine Months Ended December 31,	
	2007	2006	
Operating Activities:	(Unaudited)	(Unaudited)	
Net income	\$ 50,997	\$ 52,347	
Non-cash items	36,900	45,192	
Working capital adjustments	6,605	(56,168)	
Net cash provided by operating activities	94,502	41,371	
Investing Activities:			
Purchases of property, plant, equipment, and intangibles, net	(39,142)	(33,066)	
Proceeds from sale of property, plant, equipment and intangibles	4,740	2,577	
Proceeds from sale of discontinued operations	_	2,927	
Net cash used in investing activities	(34,402)	(27,562)	
Financing Activities:			
Proceeds under credit facilities, net	31,925	11,440	
Payments on long-term obligations and capital leases, net	(500)	(1,436)	
Repurchases of common shares	(94,758)	(59,628)	
Cash dividends paid to common shareholders	(10,910)	(8,508)	
Stock options and other equity transactions, net	14,131	8,186	
Net cash used in financing activities	(60,112)	(49,946)	
Effect of exchange rate changes on cash and cash equivalents	3,104	2,416	
Increase (decrease) in cash and cash equivalents	3,092	(33,721)	
Cash and cash equivalents at beginning of period	52,296	72,732	
Cash and cash equivalents at end of period	<u>\$ 55,388</u>	\$ 39,011	
	Nine Mon Decem	ber 31,	
Calculation of Free Cash Flow from continuing operations:		2006	
Cach flows from operating activities	\$ 94502	\$ 11 371	

	December 31,	
	2007	2006
Calculation of Free Cash Flow from continuing operations:		
Cash flows from operating activities	\$ 94,502	\$ 41,371
Purchases of property, plant, equipment, and intangibles, net	(39,142)	(33,066)
Proceeds from the sale of property, plant, equipment, and intangibles	4,740	2,577
Free Cash Flow from Continuing Operations	\$ 60,100	\$ 10,882

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. Free cash flow is a non-GAAP figure under Securities and Exchange Commission rules. The Company uses free cash flow as a measure to gauge its ability to fund future growth opportunities outside of core operations, repurchase common shares, pay cash dividends, and reduce debt. STERIS's calculation of free cash flow may vary from other companies.