

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 11-K

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the Twelve-Month Period Ended December 31, 1998

Commission File No. 0-20165

A. Full title of the plan and the address of the plan if different from that of the issuer named below:

STERIS Corporation 401(k) Plan and Trust

B. Name of issuer of securities held pursuant to the plan and the address of its principal executive office:

STERIS Corporation  
5960 Heisley Road  
Mentor, Ohio 44060

Audited Financial Statements and  
Supplemental Schedules

STERIS CORPORATION 401(k) PLAN  
AND TRUST

December 31, 1998 and 1997

Plan Sponsor  
STERIS CORPORATION  
5960 Heisley Road  
Mentor, Ohio 44060

Plan Administrator  
STERIS CORPORATION  
5960 Heisley Road  
Mentor, Ohio 44060

STERIS Corporation 401(k) Plan and Trust  
Audited Financial Statements and Supplemental Schedules  
December 31, 1998 and 1997

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## Report of Independent Auditors

Board of Directors  
STERIS Corporation  
Mentor, Ohio

We have audited the accompanying financial statements of STERIS Corporation 401(k) Plan and Trust (the "Plan") as of December 31, 1998 and 1997, and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 1998 and 1997, and the changes in its net assets available for benefits for the year ended December 31, 1998, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment purposes as of December 31, 1998, and reportable transactions for the year then ended, are presented for purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The Fund Information in the statements of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The supplemental schedules and Fund Information have been subjected to auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated, in all material respects in relation to the financial statements taken as a whole.

June 23, 1999

STERIS Corporation  
401(k) Plan and Trust

Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1998

	Victory Stock Index Fund	Victory Balanced Fund	Victory Investment Quality Bond Fund	EB Magic Fund
-----				
ASSETS				
Investments, at contract value				\$ 4,357,220
Investments, at fair value:				
STERIS Corporation common shares				
Mutual funds	\$ 49,467,063	\$ 43,263,854	\$ 3,170,901	
Common/collective trusts				7,941,067
Participant loans receivable				
Other investments				
-----				
Total investments	49,467,063	43,263,854	3,170,901	12,298,287
Receivables:				
Employer contributions	293,554	141,040	28,850	110,653
Accrued income				28,995
Other	27,139			
-----				
Total receivables	320,693	141,040	28,850	139,648
-----				
Total assets	49,787,756	43,404,894	3,199,751	12,437,935
-----				
LIABILITIES				
Accrued purchase of investments		21,996	20,419	18,466
-----				
NET ASSETS AVAILABLE FOR BENEFITS	\$ 49,787,756	\$ 43,382,898	\$ 3,179,332	\$ 12,419,469
=====				

	STERIS Stock Fund	Participant Loans	Total
-----			
ASSETS			
Investments, at contract value			\$ 4,357,220
Investments, at fair value:			
STERIS Corporation common shares	\$ 40,551,792		40,551,792
Mutual funds			95,901,818
Common/collective trusts			7,941,067
Participant loans receivable		\$ 3,460,489	3,460,489
Other investments	32,027		32,027
-----			
Total investments	40,583,819	3,460,489	152,244,413
Receivables:			
Employer contributions	174,297		748,394
Accrued income	450	227	29,672
Other	81,647		108,786
-----			
Total receivables	256,394	227	886,852
-----			
Total assets	40,840,213	3,460,716	153,131,265
-----			
LIABILITIES			
Accrued purchase of investments			60,881
-----			
NET ASSETS AVAILABLE FOR BENEFITS	\$ 40,840,213	\$ 3,460,716	\$ 153,070,384
=====			

See notes to financial statements.

STERIS Corporation  
401(k) Plan and Trust

Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1997

	Victory Stock Index Fund	Victory Balanced Fund	Victory Investment Quality Bond Fund	EB Magic Fund	STERIS Stock Fund	Participant Loans	Total
<b>ASSETS</b>							
Investments at contract value				\$ 4,005,365			\$ 4,005,365
Investments at fair value:							
STERIS Corporation common shares					\$ 8,507,199		8,507,199
Mutual funds	\$ 30,567,888	\$ 11,791,413	\$ 875,750				43,235,051
Common/collective trusts				4,260,448			4,260,448
Participant loans receivable						\$ 1,787,987	1,787,987
Other investments					5,246		5,246
<b>Total investments</b>	<b>30,567,888</b>	<b>11,791,413</b>	<b>875,750</b>	<b>8,265,813</b>	<b>8,512,445</b>	<b>1,787,987</b>	<b>61,801,296</b>
Receivables:							
Employer contributions	266,355	114,551	26,069	123,834	149,141		679,950
Participant contributions	116,912	48,290	10,158	47,941	56,358		279,659
Accrued income	4	2		38,377	338		38,721
Other				10,202			10,202
<b>Total receivables</b>	<b>383,271</b>	<b>162,843</b>	<b>36,227</b>	<b>220,354</b>	<b>205,837</b>		<b>1,008,532</b>
<b>Total assets</b>	<b>30,951,159</b>	<b>11,954,256</b>	<b>911,977</b>	<b>8,486,167</b>	<b>8,718,282</b>	<b>1,787,987</b>	<b>62,809,828</b>
<b>LIABILITIES</b>							
Accrued purchase of investments	154,271	88,979	10,736				253,986
NET TRANSFERS PENDING	(37,360)	(40,689)	(578)	58,143	(2,033)	22,517	0
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 30,834,248</b>	<b>\$ 11,905,966</b>	<b>\$ 901,819</b>	<b>\$ 8,428,024</b>	<b>\$ 8,720,315</b>	<b>\$ 1,765,470</b>	<b>\$ 62,555,842</b>

See notes to financial statements.

STERIS Corporation  
401(k) Plan and Trust

Statement of Changes in Net Assets Available for Benefits, with Fund Information

For the Year Ended December 31, 1998

	Victory Stock Index Fund	Victory Balanced Fund	Victory Investment Quality Bond Fund	EB Magic Fund	STERIS Stock Fund	Participant Loans	Total
<b>ADDITIONS</b>							
Investment income:							
Net appreciation in fair value of investments	\$ 4,421,152	\$ 2,002,431	\$ 31,652	\$ 325,711	\$ 8,031,908		\$ 14,812,854
Interest and dividends	4,848,006	3,348,803	107,827	331,255	21,716	\$ 198,718	8,856,325
Other receipts						314,743	314,743
	9,269,158	5,351,234	139,479	656,966	8,053,624	513,461	23,983,922
Contributions:							
Participants	3,805,384	1,641,108	374,065	1,282,025	1,961,785		9,064,367
Employer	1,212,391	545,297	121,292	456,862	678,218		3,014,060
	5,017,775	2,186,405	495,357	1,738,887	2,640,003		12,078,427
Total additions	14,286,933	7,537,639	634,836	2,395,853	10,693,627	513,461	36,062,349
<b>DEDUCTIONS</b>							
Benefits paid to participants	(3,122,252)	(4,300,439)	(148,452)	(1,573,821)	(3,789,555)	(208,434)	(13,142,953)
Administrative expenses	(34,634)	(7,364)	(208)	(411)	(81,397)		(124,014)
Total deductions	(3,156,886)	(4,307,803)	(148,660)	(1,574,232)	(3,870,952)	(208,434)	(13,266,967)
Net increase prior to transfers	11,130,047	3,229,836	486,176	821,621	6,822,675	305,027	22,795,382
Transfers from ERA Plan		32,508,318			32,080,317		64,588,635
Transfers from Isomedix 401(k) Plan	1,957,407	311,112	65,308	367,698	429,000		3,130,525
Transfers from (to) other funds	5,866,054	(4,572,334)	1,726,029	2,802,126	(7,212,094)	1,390,219	
Net increase	18,953,508	31,476,932	2,277,513	3,991,445	32,119,898	1,695,246	90,514,542
Net assets available for benefits at beginning of year	30,834,248	11,905,966	901,819	8,428,024	8,720,315	1,765,470	62,555,842
<b>NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR</b>	<b>\$ 49,787,756</b>	<b>\$ 43,382,898</b>	<b>\$ 3,179,332</b>	<b>\$ 12,419,469</b>	<b>\$ 40,840,213</b>	<b>\$ 3,460,716</b>	<b>\$ 153,070,384</b>

See notes to financial statements.

STERIS Corporation  
401(k) Plan and Trust

Notes to Financial Statements

December 31, 1998 and 1997

A. DESCRIPTION OF THE PLAN

The following brief description of the STERIS Corporation 401(k) Plan and Trust (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for complete information regarding the Plan's definitions, benefits, eligibility, and other matters.

GENERAL

The Plan, which became effective April 1, 1992, is a contributory plan available to all domestic employees of STERIS Corporation (the "Company" or "STERIS") who have completed three months of service and have attained the age of 18 (21 prior to June 30, 1996). Employee participation in the Plan is voluntary and enrollment in the Plan is permitted on the first day of each January, April, July, and October (an "Entry Date"). The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code.

Effective January 1, 1998, the Isomedix Inc. Employee Savings and Protection Plan (the "Isomedix Plan") and the AMSCO Employees' Retirement Account (the "ERA Plan") were merged into the Plan. Also on January 1, 1998, or shortly thereafter, the equity of all participants and beneficiaries in the Isomedix Plan and the ERA Plan as of the date of the merger were transferred to the Plan.

CONTRIBUTIONS

A participant is permitted to contribute not less than 1 percent and not more than 10 percent of his/her compensation received during a calendar year. All contributions made by a participant must be "before-tax" deferred compensation contributions.



STERIS Corporation  
401(k) Plan and Trust

Notes to Financial Statements--Continued

A. DESCRIPTION OF THE PLAN--CONTINUED

The Company may make matching discretionary contributions to a participant's account. The level of matching contributions is determined quarterly by the Company. Employer contributions are allocated to each participant's account in accordance with the investment election choices made by the participant. For the year ended December 31, 1998, the Company made a 50% matching contribution in cash on employee contributions on the first 6% of eligible participant compensation.

Participants are fully vested in Company matching contributions at such time as the contribution is made.

PARTICIPANT ACCOUNTS

Each participant may direct their contributions to be invested in 5 percent increments in any combination of the following investment options:

EB Magic Fund, Victory Stock Index Fund, Victory Balanced Fund, Victory Investment Quality Bond Fund or STERIS Corporation common stock.

The allocation of a participant's contributions to these investment funds is selected by the participant and may be changed at any time. A participant may elect to have a portion or all of the balance of his prior contributions (in increments of 5 percent) transferred from any fund in which it is invested to any other fund.

Separate accounts are maintained for each participant showing each type of contribution and the interest of each participant in the various funds. The fund provides participants the opportunity to apply for a loan up to 50% of that participants balance, not to exceed \$50,000.

At December 31, 1998 and 1997, no amounts had been allocated to participants who have withdrawn from the Plan.

VESTING AND PAYMENT OF BENEFITS

Participant contributions, with all earnings and appreciation thereon, are fully vested at all times. A participant whose employment terminates due to death or retirement (including retirement on account of total and permanent disability) or for reasons other than death or retirement will be eligible for a distribution equal to the full amount of the separate accounts attributable to their participant contributions.

STERIS Corporation  
401(k) Plan and Trust

Notes to Financial Statements--Continued

A. DESCRIPTION OF THE PLAN--CONTINUED

The Company, by action of its Board of Directors and without approval of its shareholders, has the right to amend, suspend, or terminate the Plan in its entirety. If the Plan is terminated, all amounts credited to a participant's account will be paid to such participant as directed by the Company.

PLAN EXPENSES

Costs incident to the purchase and sale of securities, such as brokerage commissions and stock transfer taxes, are paid by the respective funds. All other general and administrative expenses incurred in the administration of the Plan are charged against the respective funds, unless the employer elects to pay such amounts. The employer has elected to pay audit fees only.

B. SIGNIFICANT ACCOUNTING POLICIES

Investments in the EB Magic Fund are stated at fair value as determined by the trustee based on the underlying investments held in the fund. Also, included in the EB Magic Fund at December 31, 1998 are two fully benefit responsive guaranteed investment contracts. These contracts are carried at contract value which approximates fair value. The average yield and crediting interest rate for the year ended December 31, 1998 was 8.15%. Interest rates are fixed. All contracts mature in 1999. All other investments are stated at fair value as measured by quoted prices in active markets.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Certain prior year amounts have been reclassified to conform with current year reporting.

C. TRANSACTIONS WITH PARTIES-IN-INTEREST

Party-in-interest transactions include the investment in the special funds of the trustee and the payment of administrative expenses.

The Plan purchased shares of common stock of the Company for \$6,082,916 and sold shares of common stock of the Company for \$12,994,790 during the year ended December 31, 1998.

STERIS Corporation  
401(k) Plan and Trust

Notes to Financial Statements--Continued

D. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated November 23, 1992, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status.

E. INVESTMENTS

The Plan's investments are held by a bank administered trust fund and are presented in the following table:

	Cost	Fair Value
December 31, 1998:		
Collective Investment Trusts of KeyBank National Association:		
*Employee Benefits Money Market Fund	\$ 32,027	\$ 32,027
*EB Magic Fund	7,585,348	**7,941,067
Mutual Funds:		
*Victory Stock Index Fund	40,094,467	**49,467,063
*Victory Balanced Fund	40,699,295	**43,263,854
*Victory Investment Quality Bond Fund	3,130,764	**3,170,901
*STERIS Corporation common stock	32,651,084	**40,551,792
Guaranteed investment contracts	4,357,220	**4,357,220
Participant loans		**3,460,489
	\$ 128,550,205	\$ 152,244,413
December 31, 1997:		
Collective Investment Trusts of KeyBank National Association:		
*Employee Benefits Money Market Fund	\$ 5,246	\$ 5,246
*EB Magic Fund	4,103,332	**4,260,448
Mutual Funds:		
*Victory Stock Index Fund	24,642,217	**30,567,888
*Victory Balanced Fund	10,658,814	**11,791,413
*Victory Investment Quality Bond Fund	859,272	875,750
*STERIS Corporation common stock	5,086,037	**8,507,199
Guaranteed investment contracts	4,005,365	**4,005,365
Participant loans		**1,787,987
	\$ 49,360,283	\$ 61,801,296

\* Party-in-interest

\*\* Investment representing five percent or more of the Plan's net assets available for benefits at December 31, 1998 and 1997, respectively.

STERIS Corporation  
401(k) Plan and Trust

Notes to Financial Statements--Continued

F. YEAR 2000 ISSUE (UNAUDITED)

STERIS Corporation has developed a plan to modify its internal information technology to be ready for the year 2000 and has begun converting critical data processing systems. The project also includes determining whether third party service providers have reasonable plans in place to become year 2000 compliant. STERIS Corporation currently expects the project to be substantially complete by mid-year 1999. STERIS Corporation does not expect this project to have a significant effect on plan operations.

STERIS Corporation  
401(k) Plan and Trust

Line 27(a)--Schedule of Assets Held for Investment Purposes  
Employee Identification Number--34-1482024 Plan Number--001

December 31, 1998

	Cost	Fair Value
	-----	
Collective Investment Trusts of KeyBank National Association:		
*Employee Benefits Money Market Fund	\$ 32,027	\$ 32,027
*EB Magic Fund	7,585,348	7,941,067
Mutual Funds of KeyBank National Association:		
*Victory Stock Index Fund	40,094,467	49,467,063
*Victory Balanced Fund	40,699,295	43,263,854
*Victory Investment Quality Bond Fund	3,130,764	3,170,901
*STERIS Corporation common stock	32,651,084	40,551,792
Guaranteed investment contracts	4,357,220	4,357,220
Participant loans (interest rates ranging from 8.75% to 10.75%)		3,460,489
		-----
	\$ 128,550,205	\$ 152,244,413
	=====	

\* Party-in-interest

STERIS Corporation  
401(k) Plan and Trust

Line 27(d)--Schedule of Reportable Transactions  
Employee Identification Number--34-1482024 Plan Number--001

For the Year Ended December 31, 1998

Number of Transactions	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
CATEGORY (I) INDIVIDUAL TRANSACTION IN EXCESS OF 5% OR PLAN ASSETS						
1	*Victory Stock Index	\$ 3,896,323		\$ 3,896,323	\$ 3,896,323	
CATEGORY (III) SERIES OF TRANSACTIONS IN EXCESS OF 5% OF PLAN ASSETS						
122	*EB Magic fund	\$ 6,381,991		\$ 6,381,991	\$ 6,381,991	
100			\$ 3,027,083	2,899,980	3,027,083	\$ 127,103
180	*EB Money Market Fund	11,659,313		11,659,313	11,659,313	
178			11,632,532	11,632,532	11,632,532	
142	*STERIS Corporation Common	6,082,916		6,082,916	6,082,916	
128	Stock		12,994,790	9,701,685	12,994,790	3,293,105
147	*Victory Investment	2,787,358		2,787,358	2,787,358	
55	Quality Bond Fund		523,859	515,868	523,859	7,991
158	*Victory Stock Index	19,770,854		19,770,854	19,770,854	
87	Fund		5,292,832	4,315,909	5,292,832	976,923
105	*Victory Balance	6,566,617		6,566,617	6,566,617	
138	Fund		9,604,925	9,052,181	9,604,925	552,744
32	Participant Loans	2,392,595		2,392,595	2,392,595	
128			806,360	806,360	806,360	

There were no category (ii) or (iv) reportable transactions during the year ended December 31, 1998.

\*Party-in-interest

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Plan has duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

STERIS Corporation 401(k) Plan and Trust

Dated: June 28, 1999

By: /s/ Laura L. Weien

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Laura L. Weien  
Treasurer

## Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-55976) pertaining to the STERIS Corporation 401(k) Plan and Trust of our report dated June 23, 1999, with respect to the financial statements and schedules of the STERIS Corporation 401(k) Plan and Trust included in this Annual Report (Form 11-K) for the year ended December 31, 1998.

/s/ Ernst & Young LLP

June 23, 1999  
Cleveland, Ohio