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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 9, 2011**

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**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.)

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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 May 9, 2011, STERIS issued a press release announcing financial results for the three and twelve month periods ended March 31, 2011. 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 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.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by STERIS Corporation on May 9, 2011 announcing financial results for the three and twelve month periods ended March 31, 2011.

**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

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Mark D. McGinley

Senior Vice President, General Counsel, and Secretary

Date: May 9, 2011

**EXHIBIT INDEX**

**Exhibit  
No.**

**Description**

99.1 Press Release issued by STERIS Corporation on May 9, 2011 announcing financial results for the three and twelve month periods ended March 31, 2011.



**STERIS CORPORATION  
NEWS ANNOUNCEMENT  
FOR IMMEDIATE RELEASE**

**STERIS CORPORATION ANNOUNCES FISCAL 2011 FOURTH QUARTER  
AND FULL YEAR RESULTS**

- *Over 1,000 SYSTEM 1E Units Shipped During the Quarter*
- *Board of Directors Approves Quarterly Dividend*
- *Company Provides Fiscal 2012 Outlook*

Mentor, Ohio (May 9, 2011) - STERIS Corporation (NYSE: STE) today announced financial results for its fiscal 2011 fourth quarter ended March 31, 2011. Fiscal 2011 fourth quarter revenue increased 14% to \$377.8 million compared with \$332.1 million in the fourth quarter of fiscal 2010, with growth in all three business segments.

As reported, fiscal 2011 fourth quarter operating income was \$57.5 million, or 15.2% of sales compared with \$51.4 million, or 15.5% of sales in the fourth quarter of fiscal 2010. Excluding restructuring, adjusted operating income for the fourth quarter of fiscal 2011 was \$58.2 million or 15.4% of sales compared with \$56.5 million, or 17.0% of sales excluding restructuring last year. Adjusted operating income improved year-over-year due to increased volumes while operating margin percentage declined due to lower gross margins and higher SG&A expenses.

As reported, fiscal 2011 fourth quarter net income was \$39.0 million, or \$0.65 per diluted share, compared with net income of \$29.8 million, or \$0.50 per diluted share in the fourth quarter of fiscal 2010. Fiscal 2011 fourth quarter net income includes restructuring expenses and the tax rate impact from the SYSTEM 1 Rebate Program. The net impact of these two items is a benefit of \$0.04 per diluted share during the quarter. Adjusted net income for the fourth quarter of fiscal 2011 was \$36.4 million, or \$0.61 per diluted share compared with adjusted net income in the fourth quarter of fiscal 2010 of \$33.2 million, or \$0.55 per diluted share, excluding restructuring.

“Our fiscal 2011 results reinforce the underlying strength of our business as we delivered another solid year,” said Walt Rosebrough, President and Chief Executive Officer of STERIS. “Our expectations for fiscal 2012 include a substantial increase in revenue from SYSTEM 1E capital sales along with more routine growth in the rest of the business. We have committed to several investments and have some cost headwinds that, in combination with the SYSTEM 1 transition, will impact our profitability, but we plan to improve revenue and earnings next year.”

### **Segment Results**

Healthcare revenue in the quarter grew 16% to \$274.1 million compared with \$235.6 million in the fourth quarter of fiscal 2010. Capital equipment revenue grew 34%, with double digit growth in both surgical and infection control products. Consumable revenue grew 4%, as strength across the rest of the business more than offset continuing declines in S20 Sterilant volumes. Service revenue declined 3% as it continued to be impacted by the SYSTEM 1 transition. Operating income was \$40.8 million compared with \$37.8 million in last year's fourth quarter. Excluding restructuring charges during both periods, adjusted segment operating income was \$41.3 million in the fourth quarter of fiscal 2011 and \$42.4 million in the prior year. The decline in adjusted operating income year over year was primarily due to a reduction in gross margin and increased commissions and GPO fees as a result of the higher sales volumes.

Life Sciences fourth quarter revenue increased 9% to \$64.1 million compared with \$58.8 million in the fourth quarter of fiscal 2010. Revenue growth was driven by a 14% increase in capital equipment, 10% growth in consumables and 2% improvement in service revenue. Life Sciences operating income was \$10.0 million compared with \$7.5 million in the prior year fourth quarter. Excluding restructuring charges during the fourth quarter of fiscal 2010, segment operating income was \$8.1 million. The increase in operating income was driven by improved volumes and higher gross margins.

Fiscal 2011 fourth quarter revenue for Isomedix Services was \$38.5 million compared with \$35.7 million in the same period last year, an increase of 8%. Revenue benefitted from increased volumes from core medical device Customers. Operating income was \$9.0 million in the quarter compared with \$8.4 million in the fourth quarter of last year.

### **Full Year Results**

As reported, fiscal 2011 revenue was \$1.21 billion, compared with \$1.26 billion in fiscal 2010. Adjusted revenue for fiscal 2011 was \$1.31 billion, excluding the impact of the SYSTEM 1 Rebate Program.

As reported, fiscal 2011 operating income was \$85.2 million compared with \$203.7 million in fiscal 2010. Adjusted operating income, excluding the impact of the SYSTEM 1 Rebate Program, the proposed SYSTEM 1 class action litigation settlement and restructuring expenses, was \$216.4 million in fiscal 2011, compared with \$208.6 million in fiscal 2010, excluding restructuring expenses.

As reported, fiscal 2011 net income was \$51.3 million, or \$0.85 per diluted share, compared with net income of \$128.5 million, or \$2.16 per diluted share in fiscal 2010. Adjusted net income excluding the impact of the SYSTEM 1 Rebate Program, proposed class action litigation settlement and restructuring expenses was \$131.7 million or \$2.19 per diluted share in fiscal 2011, compared with \$131.3 million, or \$2.21 per diluted share in fiscal 2010, excluding restructuring expenses.

In order to provide meaningful comparative analysis, the Company has excluded several items in the adjusted financial information provided above. Please see the attached schedules for additional information, including reconciliations from these adjusted "non-GAAP financial measures" to as reported results.

#### **Cash Flow**

Net cash provided by operations for fiscal 2011 was \$117.7 million, compared with \$224.9 million last year. Free cash flow (see note 1) for fiscal 2011 was \$41.6 million, compared with \$184.0 million in the prior year. The decline in free cash flow was driven by increased working capital requirements, primarily due to inventory build of SYSTEM 1E, which totaled \$44 million at the end of the year, and higher accounts receivable balances driven by the timing of shipments. In addition, capital spending increased significantly during the year, driven in part by the timing of cobalt purchases for Isomedix, the purchase of two previously leased Isomedix facilities and costs related to the consolidation projects in the United States and Europe.

During the quarter, the Company repurchased 295,589 shares of its common stock at an average price of \$33.75 per share for a total amount of \$10.0 million. Approximately \$174 million remains available for additional purchases under the current share repurchase authorization. For the full year, the Company repurchased 925,848 shares for a total amount of \$29.5 million.

**Dividend Announcement**

The Company also announced today that STERIS's Board of Directors has authorized a quarterly dividend of \$0.15 per common share. The dividend is payable June 28, 2011 to shareholders of record at the close of business on June 7, 2011.

**Outlook**

Based upon current trends, the Company expects fiscal 2012 revenue growth to be in the range of 8-10%, and earnings per diluted share in the range of \$2.25 to \$2.45 for the full fiscal year. This outlook reflects certain key assumptions, some of which are listed below:

- Healthcare segment revenue growth is expected to be in the low-double digits.
- Approximately 5,000 – 8,000 SYSTEM 1E units are to be shipped in the fiscal year.
- Life Sciences segment revenue is expected to be flat.
- Isomedix segment revenue growth is expected to be in the mid-single digits.
- The Company has assumed the average forward exchange rates for the U.S. dollar and key international currencies as of March 31, 2011.
- The Company has assumed a modest increase in raw material costs.
- Excludes restructuring expenses from the Company's ongoing efficiency efforts.
- EBIT as a percent of revenue is anticipated to be approximately 16%.
- The effective tax rate is anticipated to be in the range of 35-36%.

For the full fiscal year 2012, free cash flow (see note 1) is anticipated to be approximately \$190 million excluding the SYSTEM 1 Rebate Program and proposed class action litigation settlement, or \$110 million as reported including those items. Capital expenditures are anticipated to be approximately \$70 million.

**Conference Call**

In conjunction with this 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](http://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 time on May 9, 2011, either over the Internet at [www.steris-ir.com](http://www.steris-ir.com) or via phone by calling 1-866-485-4172 in the United States and Canada, and 1-203-369-1623 internationally.

#### **Annual Meeting of Shareholders**

The Company will hold its annual meeting of shareholders on July 28, 2011. Further information regarding the time and location will be provided in the Company's annual report and proxy materials.

#### **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 has approximately 5,000 dedicated employees around the world working 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](http://www.steris.com).

Contact: Julie Winter, Director, Investor Relations at 440-392-7245.

(1) Free cash flow is a non-GAAP number used by the Company as a measure to gauge its ability to fund future debt principal repayments, growth outside of core operations, 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, 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 referenced conference call may contain statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to the Company 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 report, 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," "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 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 result or the timing of any outcome regarding matters described in the referenced release or conference call or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation (including the proposed settlement of the SYSTEM 1 class action litigation), warning letters, consent decree, rebate program, transition, cost reductions, business strategies, earnings or revenue trends or future financial results. References to products, the consent decree, the transition or rebate program, or the settlement, are summaries only and do not alter or modify the specific terms of the decree, settlement, program or product clearance or literature. 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 or costs 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 rebate program, transition plan or other 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, certifications, regulations, regulatory actions, including without limitation those relating to FDA warning letters, government investigations, the December 3, 2009 or February 22, 2010 FDA notices, the April 20, 2010 consent decree and related transition plan and rebate program, the SYSTEM 1E device, the outcome of any pending FDA requests and clearances, 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 Company performance, results, prospects or value, (d) the potential of international unrest or effects of fluctuations in currencies, tax assessments or anticipated 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, (f) the possibility that anticipated growth, cost savings, rebate assumptions, new product acceptance or approvals, including without limitation SYSTEM 1E and accessories thereto, or other results may not be achieved, or that transition, labor, competition, timing, execution, regulatory, governmental, or other issues or risks associated with our business, industry or initiatives including, without limitation, the consent decree, rebate program, and the transition from the SYSTEM 1 processing system or those matters described in our Form 10-K for the year ended March 31, 2010 and other securities filings, may adversely impact company performance, results, prospects or value, (g) the effect of the contraction in credit availability, as well as the ability of our Customers and suppliers to adequately access the credit markets when needed, and (h) those risks described in our securities filings including our Annual Report on Form 10-K for the year ended March 31, 2010 and the Form 10-Q for the quarter ended December 31, 2010 and other securities filings.*

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

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Revenues	\$377,760	\$332,129	\$1,309,761	\$1,257,733
SYSTEM 1 Rebate Program	—	—	(102,313)	—
Revenues, net	377,760	332,129	1,207,448	1,257,733
Cost of revenues	221,733	189,921	753,595	718,551
Cost of revenues - SYSTEM 1 Rebate Program	—	—	7,691	—
Gross profit	156,027	142,208	446,162	539,182
Operating expenses:				
Selling, general, and administrative	87,885	75,717	305,672	296,614
SYSTEM 1 class action settlement	—	—	19,796	—
Research and development	9,889	9,973	34,280	34,008
Restructuring expense	779	5,161	1,202	4,848
Total operating expenses	98,553	90,851	360,950	335,470
Income from operations	57,474	51,357	85,212	203,712
Non-operating expense, net	3,011	3,423	11,393	11,896
Income tax expense	15,463	18,099	22,554	63,349
Net income	\$ 39,000	\$ 29,835	\$ 51,265	\$ 128,467
Earnings per common share (EPS) data:				
Basic	\$ 0.66	\$ 0.50	\$ 0.86	\$ 2.18
Diluted	\$ 0.65	\$ 0.50	\$ 0.85	\$ 2.16
Cash dividends declared per common share outstanding	\$ 0.15	\$ 0.11	\$ 0.56	\$ 2.44
Weighted average number of common shares outstanding used in EPS computation:				
Basic number of common shares outstanding	59,239	59,173	59,306	58,826
Diluted number of common shares outstanding	60,109	59,851	60,148	59,423

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

	March 31, 2011 (Unaudited)	March 31, 2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 193,016	\$ 214,971
Accounts receivable, net	272,248	214,940
Inventories, net	167,344	121,135
Other current assets	73,198	25,411
<b>Total Current Assets</b>	<b>705,806</b>	<b>576,457</b>
Property, plant, and equipment, net	370,402	346,858
Goodwill and intangible assets, net	318,810	305,311
Other assets	31,667	9,776
<b>Total Assets</b>	<b>\$1,426,685</b>	<b>\$1,238,402</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$ 90,981	\$ 66,035
Accrued SYSTEM 1 Rebate Program and class action settlement	127,683	—
Other current liabilities	126,082	131,094
<b>Total Current Liabilities</b>	<b>344,746</b>	<b>197,129</b>
Long-term debt	210,000	210,000
Other liabilities	83,274	76,779
Equity	788,665	754,494
<b>Total Liabilities and Equity</b>	<b>\$1,426,685</b>	<b>\$1,238,402</b>

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

	Three Months Ended		Twelve Months Ended	
	March 31,		March 31,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Revenues:</b>				
Healthcare	\$274,109	\$235,587	\$ 938,145	\$ 892,474
SYSTEM 1 Rebate Program	—	—	(102,313)	—
Healthcare, net	274,109	235,587	835,832	892,474
Life Sciences	64,063	58,782	215,437	218,209
STERIS Isomedix Services	38,521	35,742	152,242	140,871
Total Reportable Segments	376,693	330,111	1,203,511	1,251,554
Corporate and Other	1,067	2,018	3,937	6,179
<b>Total Segment Revenues</b>	<b>\$377,760</b>	<b>\$332,129</b>	<b>\$1,207,448</b>	<b>\$1,257,733</b>

	Three Months Ended		Twelve Months Ended	
	March 31,		March 31,	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment Operating Income:</b>				
Healthcare	\$ 40,777	\$ 37,798	\$ 21,317	\$ 151,520
Life Sciences	9,994	7,510	33,069	30,952
STERIS Isomedix Services	8,975	8,434	39,833	31,103
Total Reportable Segments	59,746	53,742	94,219	213,575
Corporate and Other	(2,272)	(2,385)	(9,007)	(9,863)
<b>Total Operating Income</b>	<b>\$ 57,474</b>	<b>\$ 51,357</b>	<b>\$ 85,212</b>	<b>\$ 203,712</b>

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

	Twelve Months Ended March 31,	
	2011 (Unaudited)	2010 (Unaudited)
<b>Operating Activities:</b>		
Net income	\$ 51,265	\$ 128,467
Non-cash items	31,433	69,414
Change in Accrued SYSTEM 1 Rebate Program and class action settlement	127,683	—
Changes in operating assets and liabilities	<u>(92,637)</u>	<u>27,073</u>
Net cash provided by operating activities	117,744	224,954
<b>Investing Activities:</b>		
Purchases of property, plant, equipment, and intangibles, net	(77,442)	(44,087)
Proceeds from sale of property, plant, equipment and intangibles	1,301	3,105
Equity investment in joint venture	(16,900)	(1,500)
Investments in businesses, net of cash acquired	<u>(4,000)</u>	<u>—</u>
Net cash used in investing activities	(97,041)	(42,482)
<b>Financing Activities:</b>		
Repurchases of common shares	(29,965)	(310)
Cash dividends paid to common shareholders	(33,235)	(144,017)
Stock option and other equity transactions, net	12,737	14,047
Tax benefit from stock options exercised	<u>2,525</u>	<u>2,467</u>
Net cash used in financing activities	(47,938)	(127,813)
Effect of exchange rate changes on cash and cash equivalents	<u>5,280</u>	<u>6,132</u>
(Decrease) increase in cash and cash equivalents	(21,955)	60,791
Cash and cash equivalents at beginning of period	<u>214,971</u>	<u>154,180</u>
Cash and cash equivalents at end of period	<u>\$ 193,016</u>	<u>\$ 214,971</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, growth outside of core operations, repurchase common shares, and pay cash dividends. STERIS’s calculation of free cash flow may vary from other companies.

	Twelve Months Ended March 31,	
	2011 (Unaudited)	2010 (Unaudited)
<b>Calculation of Free Cash Flow:</b>		
Cash flows from operating activities	\$ 117,744	\$ 224,954
Purchases of property, plant, equipment, and intangibles, net	(77,442)	(44,087)
Proceeds from the sale of property, plant, equipment, and intangibles	1,301	3,105
<b>Free Cash Flow</b>	<u>\$ 41,603</u>	<u>\$ 183,972</u>

	Twelve Months Ended March 31,	
	2012 (Unaudited)	2012 (1) (Unaudited)
<b>Calculation of Free Cash Flow for Outlook:</b>		
Cash flows from operating activities	\$ 180,000	\$ 180,000
Purchases of property, plant, equipment, and intangibles, net	(70,000)	(70,000)
Payments associated with the SYSTEM 1 Rebate Program and proposed class action settlement		80,000
<b>Free Cash Flow</b>	<u>\$ 110,000</u>	<u>\$ 190,000</u>

(1) Adjusted to exclude the impact of the payments associated with the SYSTEM 1 Rebate Program and proposed class action settlement

**STERIS Corporation**

Unaudited Supplemental Financial Data

Fourth Quarter Fiscal 2011

As of March 31, 2011

	<u>FY 2011</u> <u>Q4</u>	<u>FY 2010</u> <u>Q4</u>	<u>FY 2011</u> <u>YTD</u>	<u>FY 2010</u> <u>YTD</u>
<b>Total Company Revenues</b>				
Capital	\$ 177,576	\$ 137,137	\$ 433,944	\$ 481,527
Adjusted capital revenues (1)			\$ 536,257	
Consumables	79,275	75,158	309,893	317,475
Service	120,908	119,834	463,610	458,731
Total Recurring	<u>200,183</u>	<u>194,992</u>	<u>773,503</u>	<u>776,206</u>
<b>Total Revenues</b>	<b><u>\$377,760</u></b>	<b><u>\$332,129</u></b>	<b><u>\$1,207,448</u></b>	<b><u>\$1,257,733</u></b>
Adjusted total revenues (1)			<b><u>\$1,309,761</u></b>	
<b>United States Revenues</b>	\$ 280,578	\$ 243,472	\$ 882,280	\$ 949,638
Adjusted United States revenues (1)			\$ 984,594	
United States Revenues as a % of Total (1)	74%	73%	75%	76%
<b>International Revenues</b>	\$ 97,182	\$ 88,657	\$ 325,167	\$ 308,096
International Revenues as % of Total	26%	27%	25%	24%
	<u>Q4</u>	<u>Q4</u>	<u>YTD</u>	<u>YTD</u>
<b>Segment Data</b>				
<b>Healthcare</b>				
<b>Revenues</b>				
Capital	\$ 150,527	\$ 112,732	\$ 357,465	\$ 396,141
Adjusted Capital (1)			459,778	
Consumables	61,886	59,321	244,364	256,584
Service	61,696	63,534	234,003	239,749
Total Recurring	<u>123,582</u>	<u>122,855</u>	<u>478,367</u>	<u>496,333</u>
Total Healthcare Revenues	<u>\$274,109</u>	<u>\$235,587</u>	<u>\$ 835,832</u>	<u>\$ 892,474</u>
Adjusted Total Healthcare Revenues (1)			<u>\$ 938,145</u>	
<b>Operating Income (Loss)</b>	<u>40,777</u>	<u>37,798</u>	<u>21,317</u>	<u>151,520</u>
Adjusted Operating Income (Loss) (1)			<u>151,117</u>	
<b>Life Sciences</b>				
<b>Revenues</b>				
Capital	\$ 27,049	\$ 23,671	\$ 76,479	\$ 84,608
Consumables	17,389	15,829	65,529	60,883
Service	19,625	19,282	73,429	72,718
Total Recurring	<u>37,014</u>	<u>35,111</u>	<u>138,958</u>	<u>133,601</u>
Total Life Sciences Revenues	<u>\$ 64,063</u>	<u>\$ 58,782</u>	<u>\$ 215,437</u>	<u>\$ 218,209</u>
<b>Operating Income (Loss)</b>	<u>9,994</u>	<u>7,510</u>	<u>33,069</u>	<u>30,952</u>
<b>Isomedix Services</b>				
<b>Revenues</b>	\$ 38,521	\$ 35,742	\$ 152,242	\$ 140,871
<b>Operating Income (Loss)</b>	<u>8,975</u>	<u>8,434</u>	<u>39,833</u>	<u>31,103</u>
<b>Corporate and Other</b>				
<b>Revenues</b>	\$ 1,067	\$ 2,018	\$ 3,937	\$ 6,179
<b>Operating Income (Loss)</b>	<u>(2,272)</u>	<u>(2,385)</u>	<u>(9,007)</u>	<u>(9,863)</u>
	<u>Q4</u>	<u>Q4</u>	<u>YTD</u>	<u>YTD</u>
<b>Other Data</b>				
Healthcare Backlog	\$ 138,644	\$ 127,825	n/a	n/a
Life Sciences Backlog	40,679	41,795	n/a	n/a
<b>Total Backlog</b>	<u>\$ 179,323</u>	<u>\$ 169,620</u>	n/a	n/a
<b>Free Cash Flow</b>	\$ 13,298	\$ 54,569	\$ 41,603	\$ 183,972
<b>Net Debt</b>	\$ 16,984	\$ (4,971)	\$ 16,984	\$ (4,971)

(1) Adjusted measures are presented excluding the impact of the proposed SYSTEM 1 Rebate Program and proposed SYSTEM 1 class action settlement. See attached reconciliations of these non-GAAP financial measures to their nearest GAAP measure.

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.

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

The Company has referred to certain adjusted financial measures regarding the results of operations excluding the SYSTEM 1 Rebate Program and related disposal costs, the proposed SYSTEM 1 class action settlement and restructuring to provide meaningful comparative analysis between the periods. These financial measures are considered to be “non-GAAP financial measures” under Securities Exchange Commission rules. Reconciliation of each financial measure to its nearest GAAP financial measure is provided in the table below.

	Three months ended March 31,		Twelve months ended March 31,	
	2011	2010	2011	2010
	(Unaudited)		(Unaudited)	
Operating income	\$ 57,474	\$ 51,357	\$ 85,212	\$ 203,712
Impact of SYSTEM 1 Rebate Program and class action settlement			129,800	
Restructuring	699	5,191	1,352	4,848
Adjusted operating income	<u>\$ 58,173</u>	<u>\$ 56,548</u>	<u>\$ 216,364</u>	<u>\$ 208,560</u>
Healthcare operating income	\$ 40,777	\$ 37,798	\$ 21,317	\$ 151,520
Impact of SYSTEM 1 Rebate Program and class action settlement			129,800	
Restructuring	522	4,606	1,020	3,839
Adjusted healthcare operating income	<u>\$ 41,299</u>	<u>\$ 42,404</u>	<u>\$ 152,137</u>	<u>\$ 155,359</u>
Net income	\$ 39,000	\$ 29,835	\$ 51,265	\$ 128,467
Impact of SYSTEM 1 Rebate Program and class action settlement, net of tax	(3,019)		79,617	
Restructuring, net of tax	447	3,322	769	2,812
Adjusted net income	<u>\$ 36,428</u>	<u>\$ 33,157</u>	<u>\$ 131,651</u>	<u>\$ 131,279</u>
Net Income per diluted share	\$ 0.65	\$ 0.50	\$ 0.85	\$ 2.16
Impact of SYSTEM 1 Rebate Program and class action settlement, net of tax	(0.05)		\$ 1.32	
Restructuring, net of tax	0.01	0.05	\$ 0.01	0.05
Adjusted net income per diluted share	<u>\$ 0.61</u>	<u>\$ 0.55</u>	<u>\$ 2.19</u>	<u>\$ 2.21</u>
Revenues			\$ 1,207,448	
Impact of SYSTEM 1 Rebate Program			102,313	
Adjusted revenues			<u>\$ 1,309,761</u>	
Capital revenues			\$ 433,944	
Impact of SYSTEM 1 Rebate Program			102,313	
Adjusted capital revenues			<u>\$ 536,257</u>	
Healthcare revenues			\$ 835,832	
Impact of SYSTEM 1 Rebate Program			102,313	
Adjusted Healthcare revenues			<u>\$ 938,145</u>	
United States revenues			\$ 882,280	
Impact of SYSTEM 1 Rebate Program			102,313	
Adjusted United States revenues			<u>\$ 984,593</u>	