SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
FOR THE FISCAL YEAR ENDED MARCH 31, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
FOR THE TRANSITION PERIOD FROM _______________ TO _______________

COMMISSION FILE NUMBER 0-20165
STERIS CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

OHIO (STATE OF INCORPORATION)	34-1482024 (I.R.S. EMPLOYER IDENTIFICATION NO.)
5960 HEISLEY ROAD MENTOR, OHIO 44060 (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	216-354-2600 (REGISTRANT'S TELEPHONE NUMBER INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12 (b) OF THE ACT:

NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12 (g) OF THE ACT:

COMMON SHARES, WITHOUT PAR VALUE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.   Yes [X]   No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K in any amendment to this Form 10-K.   [X]

The aggregate market value of the voting stock held by non-affiliates of the Registrant, computed by reference to the average of the bid and ask price of such stock as of May 30, 1997: $1,215,222,199

The number of Common Shares outstanding as of May 30, 1997: 33,948,158

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 1997 Annual Meeting -- Part III

PART I

ITEM 1. BUSINESS

DESCRIPTION OF BUSINESS

STERIS Corporation (the "Company" or "STERIS") develops, manufactures, markets, and services infection prevention, contamination control, and surgical support systems, products, and technologies for healthcare, scientific, research, and industrial Customers throughout the world. STERIS is focused on helping Customers address today's trends in the healthcare and scientific industries. The healthcare industry is changing rapidly due to the explosive growth of minimally invasive surgical and diagnostic procedures; heightened public and professional awareness and concern for the increasing number of transmittable and antibiotic-resistant infectious diseases; the shifting of patient care from acute care hospital settings to alternative care facilities; and the overall need to reduce the cost of healthcare delivery. These trends have expanded the demand for rapid, safe, and efficient infection prevention systems for critical tasks such as the sterile processing of devices and the handling, decontamination, destruction, and disposal of potentially infectious biohazardous waste. In the scientific industry, the market is expanding as pharmaceutical, biotech, and other FDA-regulated manufacturers are under increasing pressure to adhere to stricter guidelines for the validation and control of their antimicrobial processes, as well as the trend towards global standardization of protocols.

In May 1996, STERIS acquired Amsco International, Inc., a prestigious U.S. market leader in equipment and services. As a result, STERIS became a major provider of infection prevention, contamination control, and surgical support capital equipment and related services, consumables, and accessories to the healthcare and scientific markets worldwide. This acquisition was a part of STERIS's consistent strategy to better serve its Customers, and gave STERIS a wider variety of technologies, greater manufacturing capacity, and a broader line of products and services. In addition, the acquisition extended STERIS's access to international and non-healthcare markets, including the biomedical research, biotechnology, and pharmaceutical sectors.

STERIS expanded its consumable offerings in late 1996 with the acquisitions of Calgon Vestal Laboratories, Inc. ("Calgon Vestal") and Surgicot, Inc. Calgon Vestal is a U.S. market leader in the development and manufacture of products used for instrument cleaning and decontamination, high risk and routine skin care products, and hard surface disinfectants. Surgicot is a leading developer and supplier of consumable sterility assurance products.

The Company has approximately 4,000 Associates (employees) worldwide, including 1,200 direct sales, service, and field support personnel. Customer Support facilities are located in major global market centers with manufacturing operations in the United States, Canada, Germany, and Finland.

PRINCIPAL PRODUCTS AND SERVICES

Through a consistent strategic plan, a focused research and development effort, and several business acquisitions, STERIS has emerged as a market leader in low temperature sterilization, high temperature sterilization, washing and decontamination systems, surgical tables, surgical lights, and consumables. The Company has expanded from its original narrow product line to become a multi-faceted global organization that serves healthcare, scientific, research, and industrial markets. Revenues by principal market are as follows (in thousands of dollars):

	YEARS ENDED MARCH 31		
	1997	1996*	1995*
Infection Prevention	$320,664	$290,019	$286,065
Surgical Support	128,502	112,400	116,529
Scientific and Industrial	101,442	101,124	112,348
Management Services	37,244	31,069	30,810
Total	$587,852	$534,612	$545,752

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* Includes the combined results of STERIS and Amsco on a pooling-of-interests basis.

INFECTION PREVENTION. Infection Prevention products are used by Customers to significantly reduce or eliminate microbial contamination of surfaces with which human contact might occur. The Company provides complete infection prevention material processing systems, including products used for cleaning, decontaminating, disinfecting, sterilizing, drying, and aerating medical instruments, devices, chemicals, and packaging. STERIS infection prevention systems support cost containment, productivity increases, and risk reduction in a wide variety of healthcare, scientific, industrial, and research settings through process standardization, automatic monitoring and documentation, processing site flexibility, and reduction in processing time.

The principal product line within the STERIS(R) brand is STERIS SYSTEM 1(R), a complete system for just-in-time sterile processing at or near the site of patient care. SYSTEM 1 enables healthcare professionals to easily and economically sterilize immersible surgical and diagnostic devices between patient procedures in less than thirty minutes. The use of SYSTEM 1 also eliminates time consuming transportation to and from central processing sites. Customers are able to use delicate, expensive, heat sensitive devices and instrument sets many times per day without compromising sterilization standards.

STERIS SYSTEM 1 consists of a tabletop microprocessor-controlled unit, a patented, proprietary single-use sterilant, and multiple adapter trays and containers. Installation requirements are tap water, electricity, and a drain. STERIS sterilant, STERIS 20(TM), combines a powerful chemical biocidal agent with a proprietary anti-corrosion formulation to provide low temperature destruction of microorganisms. STERIS's process significantly reduces processing time and safety concerns associated with conventional low temperature sterilization and disinfection systems. SYSTEM 1 has particular appeal in the increasingly decentralized delivery of therapeutic patient services where capitated costs and standardized outcomes are emphasized. Since commercially introducing SYSTEM 1 in November 1988, the Company has sold well over 10,000 SYSTEM 1 units to thousands of healthcare facilities, including hospitals, medical centers, ambulatory facilities, and physician offices in major markets throughout the world.

The fundamental technology of the STERIS brand is the rapid, safe, low temperature chemical destruction of microorganisms on inanimate surfaces. STERIS's strategy is to employ this technology in commercial applications with a focus on sterile processing, biohazardous waste processing, and other surface safety applications in the healthcare industry. The technology also has potential applications in a wide variety of other settings where cleanliness or low temperature destruction of microorganisms is important.

Recognized for years as the industry standard in large and medium scale, high quality hardware systems, the AMSCO(R) brand represents a leading choice in infection prevention. AMSCO brand infection prevention products include thermal and low temperature gaseous sterilization systems, cleaning and decontamination systems, accessories, and related consumables that are used to prevent the spread of infectious diseases and microbial contamination.

The Company's thermal sterilization systems use saturated steam to sterilize items through a combination of heat, moisture, and pressure. Thermal sterilizers are offered in a number of sizes based on Customer throughput requirements and are designed for use in centralized or decentralized processing environments. The product line includes a versatile microprocessor-based control system which is designed to monitor each phase of the sterilization cycle and provide the Customer a permanent record of important cycle information, including type and parameters of sterilization cycle, temperature, pressure, vacuum, and total cycle time. The Company's sterilizer chambers are made of highly durable nickel-clad carbon steel or 316L stainless steel.

In addition to thermal sterilization systems, the Company manufactures low temperature ethylene oxide (EO) gas sterilizers which provide Customers the capability to sterilize heat sensitive medical devices in a safe, controlled processing environment. Each sterilization system includes an advanced microprocessor-based control system which monitors cycle parameters and provides the Customer a permanent record of each sterilization cycle. The Company's leading ethylene oxide gas sterilization system, the AMSCO(R) 3017 100% EO Sterilizer/Aerator, utilizes a proprietary, single-use sterilant cartridge and includes a built-in exhaust system.

STERIS manufactures and distributes infection prevention consumables that are used to prevent the spread of infectious diseases and to monitor sterilization and decontamination processes. CALGON VESTAL(TM) brand products offer quality choices for infection prevention and contamination control in the following categories: Instrument Cleaning and Decontamination Systems; High Risk and Routine Skin Care Products; Hard Surface Disinfectants; and Surgical Scrubs. The SURGICOT(R) brand includes over 300 sterility assurance and sterility maintenance products for the worldwide healthcare market, including: Sterilization, Protective and Decontamination Packaging; Biological Monitoring Systems; Barrier Wraps; Integrator/Indicator Monitoring Systems; and Record Keeping Systems.

SURGICAL SUPPORT. The Company's Surgical Support product line includes general and specialty surgical tables, surgical and examination lights, operating room (OR) storage cabinets, fluid waste management systems, warming cabinets, scrub sinks, and other complementary products and accessories for hospital and non-hospital ORs. Surgical tables, lights, and stainless steel OR products are used in both hospital and non-hospital settings. The Company's versatile surgical table product line includes automated and manual general surgical tables and an orthopedic specialty table. A wide variety of general and specialty surgical procedures are accommodated through the use of attachable accessories. The Company produces and sells its own line of accessories, as well as accessories manufactured by outside sources.

The Company's illumination systems are designed for a wide variety of locations where therapeutic procedures are performed, including the emergency room, general surgery suite, OB/GYN suite, and ambulatory surgery suite. These lighting products combine optical performance with positioning flexibility that accommodate the surface and cavity illumination needs of virtually all types of surgical procedures. The Company's surgical lighting products range from major surgical lights to minor examination lights.

The Company's surgical support product line includes SafeCycle(R) 40, a self-contained, high volume fluid waste management system designed for the collection, containment, transport, and safe disposal of potentially infectious fluid waste generated during surgical and diagnostic procedures. The system eliminates the need for up to thirteen three-liter suction canisters while significantly reducing the possibility of human exposure to biologically contaminated fluids.

SCIENTIFIC AND INDUSTRIAL. Scientific and Industrial contamination prevention and control products and services are used in the pharmaceutical, biotechnology, medical device, research, and industrial markets worldwide. These products and services assist Customers in assuring sterility and other microbial reduction processes while meeting regulatory and validation requirements. The Company provides complete contamination prevention systems including AMSCO brand high temperature and low temperature sterilizers, FINN-AQUA brand high purity water systems and lyophilizers (freeze drying systems), CALGON VESTAL high level disinfection and surface decontamination systems, and SURGICOT monitoring products.

High temperature sterilizers used by Scientific and Industrial Customers range from standard table top and mid-sized units to large room-sized custom installed units. The Company's line of low temperature infection control equipment ranges from high level disinfectants to vaporized hydrogen peroxide (VHP(R)) sterilizers. All of the Company's cGMP (current Good Manufacturing Practices) products are designed in accordance with the latest U.S. Pharmacopeia XXIII and European Pharmacopoeia 3rd Edition requirements. Demand for such equipment is fueled by the level of scientific research and production.

MANAGEMENT SERVICES. The Company provides after-sale field service for a wide variety of clinical and scientific equipment. The Company's service technicians focus on the management and servicing of sophisticated clinical equipment, including surgical, laboratory, and diagnostic imaging equipment sold by third-party manufacturers.

The Company's third-party service organization also provides full-service Clinical Engineering Services ("CES") programs to hospitals. The CES program provides on-site clinical engineers and consolidated equipment maintenance activities under the program manager for each account. The objective of the CES program is to improve service performance and equipment up-time within the hospital, while affording the hospital an opportunity to control its maintenance budget, as well as to comply with existing regulations.

MANUFACTURING

The Company manufactures, assembles, and packages products in Mentor, Ohio; Erie, Pennsylvania; Montgomery, Alabama; Research Triangle Park, North Carolina; St. Louis, Missouri; Cologne, Germany; Helsinki, Finland; and Quebec City, Canada. Each of the production facilities focuses on particular processes and products. Generally, STERIS(R) brand products are produced in Mentor, Ohio; CALGON VESTAL(TM) brand in St. Louis, Missouri; SURGICOT(R) brand in Research Triangle Park, North Carolina; and AMSCO(R) brand in the remaining locations. All of the Company's equipment production facilities throughout the world are ISO 9001 certified.

Raw materials, sub-assemblies, and other components essential to the Company's business are readily available within the lead times specified by vendors. The supply of such raw materials has posed no significant problem in the operation of the Company's business. All raw materials are available from multiple sources, both domestic and foreign.

The Company's foreign operations are subject to the usual risks that may affect such operations. These include, among other things, customary exchange controls and currency restrictions, currency fluctuations, changes in local economic conditions, exposure to possible expropriation or other government actions, unsettled political conditions, and foreign government-sponsored boycotts of the Company's products or services for noncommercial reasons. Most of the identifiable assets associated with the Company's foreign operations are located in countries where the Company believes such risks to be minimal. For certain financial information regarding the Company's foreign operations, see Note M -- Business Segment Information to the accompanying financial statements on page 31 of this Form 10-K.

THE MARKETS AND METHODS OF DISTRIBUTION

STERIS has, as of March 31, 1997, 263 direct sales representatives and 35 regional sales managers in North America. The sales representatives reside in metropolitan market areas throughout the U.S. and Canada. STERIS also has, as of March 31, 1997, 880 field service representatives, who provide on-site repair and maintenance service in Customer facilities in the U.S. and Canada. Sales and service activities are supported by a staff of regionally based clinical specialists, system planners, corporate account managers, and an in-house service and field support department.

Customer training is one of the most important aspects of the STERIS marketing plan. In addition to training at Customer locations, STERIS provides a two-day course for Customer operators at the Company's Training and Education Center in Mentor, Ohio. The program enables the Customer representative to understand fully the fundamentals of The STERIS PROCESS(TM) and the theory and operation of STERIS SYSTEM 1(R). The Operator Training Program is approved by the Ohio Nurses Association to offer contact hours for continuing education to eligible course participants. The Ohio Nurses Association has been authorized by the American Nurses Credentialing Center's Commission on Accreditation to approve continuing education programs that meet standards established by the Commission. The program was implemented in July 1991, and, as of March 31, 1997, approximately 9,200 Customer representatives, primarily nurses and department managers, have received training at STERIS. The Company provides a separate training program for biomedical engineers employed by the Company's Customers on a fee basis. As of March 31, 1997, approximately 900 biomedical engineers have received training at STERIS.

The Company has adopted a strategy focused on employing direct sales, service, and support personnel in developed international markets while contracting with distributors in other selected markets. STERIS currently has subsidiaries and support personnel in Belgium, Brazil, Canada, China, Costa Rica, Finland, France, Germany, Hong Kong, Italy, Japan, Korea, Mexico, Singapore, Spain, and the United Kingdom. STERIS has distribution agreements with medical supply distributors in Australia, and various countries in Asia, Europe, and the Middle East.

The Company believes that one of its strengths is its broad Customer base with no single Customer accounting for more than two percent of sales during the fiscal year ended March 31, 1997.

COMPETITION

A number of methodologies and commercial products are available for general sterilization purposes. Getinge/Castle, Advanced Sterilization Products (division of Johnson & Johnson), and the Medical-Surgical Products Division of 3M Corporation are well-known U.S. companies offering products for general sterilization and disinfection. Skytron (division of KMW Group, Inc.), Getinge/Castle, and Midmark are competitors in providing general surgical tables. Berchtold Corporation, ALM Surgical Equipment, Inc., Heraeus Surgical, Inc., and Skytron are competitors in the major surgery OR light market. Competitors in sterility assurance products include Kimberly-Clark Corporation, 3M Healthcare, and Allegiance Healthcare Corporation. EcoLabs/Huntington and 3M Corporation are competitors in environmental decontamination products. Competitors in instrument decontamination products include Getinge/Castle, EcoLabs/Huntington, and Allegiance Healthcare Corporation. The Company's high risk and routine skin care products compete against the products of EcoLabs/Huntington, Provon (division of Gojo), and SaniFresh (division of Kimberly-Clark). Allegiance Healthcare Corporation, Becton Dickinson, EcoLabs/Huntington, and Purdue Frederick are competitors in providing surgical scrubs. Competitors in the OEM service business are local and in-hospital service groups. Competitors in the third-party service business are General Electric Medical, Cohr, ServiceMaster, and in-hospital service groups. The primary competitor for the Company's Scientific and Industrial sterilization systems is Getinge/Castle. The balance of the Scientific and Industrial product lines compete against small regionally-based manufacturers.

Competition in the product markets served by the Company is based upon product design and quality, product innovation, and product serviceability that results in the greatest overall value to the Customer. In addition, there is significant price competition among various instrument preparation processes.

Several smaller, early-stage companies are believed to be working with a variety of other technologies and sterilizing agents, including microwave, ozone, plasma, chlorine dioxide, peracids, and formaldehyde. In addition, a number of companies have developed disposable medical instruments and other devices designed to address the risk of contamination.

STERIS anticipates that it may face increased competition in the future as new sterile processing, contamination control, and surgical support products enter the market. There can be no assurance that new products developed by the Company's competitors will not be more commercially successful than those currently developed by STERIS or that may be developed by STERIS. In addition, some of STERIS's existing or potential competitors have greater financial, technical, and human resources than the Company. Accordingly, the Company's competitors may succeed in developing and commercializing products more rapidly than the Company.

GOVERNMENT REGULATION

Many of the Company's products and manufacturing processes are subject to regulation by the United States Food and Drug Administration ("FDA"), the United States Environmental Protection Agency (the "EPA"), and other governmental authorities. Similar regulatory agencies exist in other countries with a wide variety of regulatory review processes and procedures. The Company's products are also subject to review or certification by various non-governmental certification authorities, including Underwriter's Laboratories, Canadian Standards Association, ASME, and TUV/VDE (Europe). Domestic and foreign government regulatory and certification authorities may delay or prevent product introductions, require additional studies or tests prior to product introduction, require product modifications or recalls, or mandate cessation of production and marketing of existing products. The cost of compliance with applicable regulations represents a considerable expense, and significant changes in such regulations or their interpretation could have a material adverse impact.

In the United States, the FDA regulates the introduction, manufacturing, labeling, and recordkeeping procedures for medical devices, including the majority of products manufactured by the Company. The process of obtaining marketing clearance from the FDA for new products, new applications for existing products, and changes to existing products can be time-consuming and expensive. In addition, whether separate marketing clearance is required under applicable regulations for any particular product is often a matter of judgment. There is no assurance that marketing clearances will be granted, that the FDA will agree or continue to agree with all judgments made from time to time by the Company with respect to whether or not marketing clearance is required for any particular new or existing product, or that the FDA review will not involve delays that would adversely affect the Company's ability to commercialize additional products or applications for existing products. Similar approvals by comparable agencies are required in most countries. Foreign regulatory requirements may vary widely from country to country. The time required to obtain market clearance from a foreign country may be longer or shorter than that required by the FDA or other agencies, and clearance or approval or other product requirements may differ.

Even if regulatory clearances to market a product are obtained from the FDA or comparable foreign agencies, these clearances may entail limitations on the indicated uses of the product. Product clearances granted by the FDA or comparable foreign agencies can also be withdrawn due to failure to comply with regulatory standards or the occurrence of unforeseen problems following initial approval. The FDA could also limit or prevent the manufacture or distribution of the Company's products and has the power to require the recall of such products. FDA regulations depend heavily on administrative interpretation and there can be no assurance that future interpretations made by the FDA or other regulatory bodies, with possible retroactive effect, will not adversely affect the Company. Further, additional government regulation may be established that could prevent, delay, or result in the rejection of regulatory clearance of the Company's products. The effect of government regulation that may arise from future legislation or administrative action cannot be predicted.

The FDA, various state agencies, and foreign regulatory agencies also have the right to inspect the Company's facilities from time to time to determine whether the Company is in compliance with various regulations relating to good manufacturing practices ("GMP Regulations"), validation, testing, quality control, and product labeling. In complying with GMP Regulations, manufacturers must continue to expend time, money, and effort in the areas of production and quality control in order to ensure full technical compliance.

Failure to comply with any applicable regulatory requirements could result in sanctions being imposed on the Company, including warning letters, injunctions, civil money penalties, failure of the FDA or comparable foreign agencies to grant premarket clearance or premarket approval of medical devices, product recalls, operating restrictions, and, in extreme cases, criminal sanctions.

In addition, the Company is and may be subject to regulation under state, federal, and foreign law regarding occupational safety, environmental protection, and hazardous and toxic substance control, and to other present and possible future local, state, federal, and foreign regulation.

The Company believes that it is currently in conformity in all material respects with all applicable regulatory requirements. The Company is committed to maintaining compliance with all applicable FDA, EPA, and other governmental laws, regulations and nongovernmental certification authorities.

EMPLOYEES

As of March 31, 1997, the Company employed approximately 4,000 Associates (employees). Management considers its relations with its Associates to be good.

INTELLECTUAL PROPERTY AND RESEARCH AND DEVELOPMENT

The Company protects its technology and products by, among other means, filing U.S. and foreign patent applications that it considers important to its business. There can be no assurance, however, that any patent will provide adequate protection for the technology or product it covers. In addition, the process of obtaining and protecting patents can be long and expensive. The Company also relies upon trade secrets, technical know-how, and continuing technological innovation to develop and maintain its competitive position.

Research activities are important to the Company's business. The costs of the Company's research activities relating to the discovery and development of new products and the improvement of existing products amounted to $22.0 million, $17.9 million, and $17.3 million in fiscal years 1997, 1996, and 1995, respectively. These costs are charged directly to income in the year in which incurred.

As of March 31, 1997, the Company held 182 U.S. patents and 264 foreign patents with expiration dates ranging from 1997 to the year 2015. In addition, the Company, as of March 31, 1997, had 32 U.S. patents and 163 foreign patents pending.

The Company also considers its various trademarks to be valuable in the marketing of its products. The Company has a total of 532 trademark registrations in the United States and in various foreign countries in which the Company does business.

ITEM 2. PROPERTIES

At March 31, 1997, the Company operated nine manufacturing and engineering facilities comprising approximately 1.4 million square feet. Substantially all such facilities are owned. Six of these sites are located in the United States, with the others located in Canada, Finland and Germany. Management believes that its facilities are adequate for operations and are maintained in good condition. At March 31, 1997, the Company leased or owned sales, service and support offices in 15 countries. The Company is confident that, if needed, it will be able to acquire additional facilities at commercially reasonable rates.

ITEM 3. LEGAL PROCEEDINGS

In connection with the May 1996 Amsco Merger, a complaint purporting to be a class action on behalf of Amsco's stockholders was filed on December 22, 1995 in the Chancery Court of the State of Delaware, New Castle County, seeking to enjoin the Merger, money damages, and other relief. The complaint, which named Amsco and all but one of its directors and STERIS as defendants, alleged, among other things, that Amsco's board had breached its fiduciary duties in approving the Merger and, in particular, the consideration to be paid to Amsco's stockholders in the Merger and that STERIS's board had aided and abetted the Amsco board in its alleged breach of fiduciary duties. On May 20, 1997, the complaint, which STERIS had always believed was without merit, was dismissed without prejudice.

For a discussion of other legal proceedings, see Note L -- Contingencies to the accompanying consolidated financial statements on page 30 of this Form 10-K.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the Company's 1997 fiscal year.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information regarding the executive officers of the Company.

NAME	AGE	POSITION
Bill R. Sanford......................	53	Chairman of the Board of Directors, President, and Chief Executive Officer
J. Lloyd Breedlove...................	49	Senior Vice President
Michael A. Keresman, III.............	39	Senior Vice President and Chief Financial Officer
David C. Dvorak......................	33	Vice President, General Counsel and Secretary
Paul A. Zamecnik.....................	37	Vice President
Pamela S. Sedmak.....................	36	Vice President

The following is a brief account of the business experience during the past five years of each such executive officer:

BILL R. SANFORD serves as Chairman of the Board of Directors, President, and Chief Executive Officer. He joined the Company April 1, 1987.

J. LLOYD BREEDLOVE serves as a Senior Vice President of the Company and Group President of the Company's Customer Support Group. He joined the Company as Executive Vice President in August 1991.

MICHAEL A. KERESMAN, III serves as a Senior Vice President and Chief Financial Officer. He joined the Company in January 1988 as Director of Finance and has held positions as Vice President of Finance, Vice President of Finance and Administration, Vice President of Finance and Operations, Secretary, and Vice President of Business Development.

DAVID C. DVORAK serves as Vice President, General Counsel, and Secretary. He joined the Company in June 1996. Prior to joining the Company, Mr. Dvorak served as an attorney with Thompson Hine & Flory LLP from 1994 to 1996, and with Jones, Day, Reavis & Pogue from 1991 to 1994.

PAUL A. ZAMECNIK serves as Vice President with responsibility for Regulatory Affairs and Quality Systems and as Group President of the Capital Systems Group. He joined the Company in July 1992 as Director of Marketing and was appointed Vice President with responsibility for Regulatory Affairs and Quality Systems in November 1993. He became Group President of the Capital Systems Group in January 1997.

PAMELA S. SEDMAK serves as Vice President and as Group President of the Consumables Systems Group. She joined the Company in October 1996 as Vice President with responsibility for Strategic Planning. She became Group President of the Consumables Systems Group in January 1997. Prior to joining the Company, Ms. Sedmak had been with General Electric Company for twelve years, most recently as a General Manager of Marketing with GE Medical Systems.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

MARKET INFORMATION AND DIVIDENDS

The Company's Common Shares are traded on the NASDAQ National Market System under the symbol "STRL." The following table sets forth, for the periods indicated, the high and low sales prices for the Company's Common Shares as quoted by NASDAQ. These prices do not include retail markups, markdowns or commissions.

	QUARTERS ENDED			
	MARCH 31	DECEMBER 31	SEPTEMBER 30	JUNE 30
FISCAL 1997				
High	$43.38	$ 44.00	$36.00	$ 35.88
Low	22.63	33.00	25.00	29.56
FISCAL 1996				
High	$36.50	$ 45.00	$43.00	$ 28.50
Low	28.88	28.75	22.88	18.25

The Company has not paid any dividends on its Common Shares since its inception and does not anticipate paying any such dividends in the foreseeable future. The Company has entered into a credit agreement which includes operational conditions and financial ratio covenants that, in certain circumstances, could limit the Company's ability to pay dividends. The Company currently intends to retain all of its earnings for the operation and expansion of its businesses. At May 30, 1997, there were approximately 1,955 holders of record of the Company's Common Shares.

ITEM 6. SELECTED FINANCIAL DATA

On May 13, 1996, STERIS merged with Amsco International, Inc. ("Amsco") in a tax-free, stock-for-stock transaction (the "Amsco Merger"). The data set forth below should be read in conjunction with the financial statements and related notes included herein. The Amsco Merger has been accounted by the pooling-of-interests method. Accordingly, the data set forth below include the combined operations of STERIS and Amsco for all periods presented.

	YEARS ENDED MARCH 31				
	1997	1996	1995	1994	1993
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
STATEMENT OF OPERATIONAL DATA:					
Net revenue	$587,852	$534,612	$545,752	$535,718	$541,241
Gross profit	231,845	202,701	204,824	208,595	211,327
Non-recurring expenses	90,831		26,996	4,950	
Income (loss) from operations	(6,487)	69,731	38,645	59,438	76,930
Income (loss) from continuing operations	(30,606)	40,790	15,736	32,715	43,257
Loss from discontinued operation			(51,658)	(14,353)	(6,664)
Loss on the extinguishment of debt			(1,655)		
Cumulative effect of change in accounting for income taxes				1,220	
Net income (loss)	$(30,606)	$ 40,790	$(37,577)	$ 19,582	$ 36,593
Income (loss) per Common Share					
From continuing operations	$ (0.91)	$ 1.17	$ 0.47	$ 0.99	$ 1.41
From discontinued operation			(1.54)	(0.44)	(0.22)
From extinguishment of debt			(0.05)		
From change in method of accounting for income taxes				0.04	
Net income (loss)	$ (0.91)	$ 1.17	$ (1.12)	$ 0.59	$ 1.19
Shares used in computing net income (loss) per share	33,678	34,857	33,536	32,977	30,732
BALANCE SHEET DATA:					
Working Capital	$141,354	$231,996	$177,470	$202,928	$209,874
Total assets	539,455	592,697	535,454	567,312	540,082
Long-term debt	35,879	102,631	103,585	152,910	166,173
Total liabilities	244,739	288,638	297,645	305,226	302,292
Total shareholders' equity	$294,716	$304,059	$237,809	$262,086	$237,790

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BASIS OF DISCUSSION

On May 13, 1996, STERIS merged with Amsco International, Inc. ("Amsco") in a tax-free, stock-for-stock transaction (the "Amsco Merger"). The Amsco Merger has been accounted by the pooling-of-interests method. Accordingly, the accompanying consolidated financial statements give retroactive effect to the transaction and include the combined operations of STERIS and Amsco for all periods presented. In addition, the historical financial information of Amsco (previously reported on fiscal years ending December 31) has been recast to conform to STERIS's annual reporting period ending March 31.

FISCAL YEAR 1997 COMPARED TO FISCAL YEAR 1996

Net revenues increased by 10.0% to $587.9 million in fiscal 1997 from $534.6 million in fiscal 1996. Infection Prevention revenues increased by 10.6% to $320.7 million in fiscal 1997 from $290.0 million in fiscal 1996. Surgical Support revenues increased by 14.3% to $128.5 million in fiscal 1997 from $112.4 million in fiscal 1996. Scientific and Industrial revenues increased by 0.3% to $101.4 million in fiscal 1997 from $101.1 million in fiscal 1996. Management Services revenues increased by 19.9% to $37.2 million in fiscal 1997 from $31.1 million in fiscal 1996. The increases were due principally to changes in volume.

The cost of products and services sold increased by 7.3% to $356.0 million in fiscal 1997 from $331.9 million in fiscal 1996. The cost of products and services sold as a percentage of net revenues was 60.6% in fiscal 1997 compared to 62.1% in fiscal 1996. The decrease in the cost of products and services sold as a percentage of net revenues in fiscal 1997 resulted principally from cost savings from the effects of restructuring, the implementation of cost control measures, increases in volume, and changes in the mix of products sold.

Selling, general, and administrative expenses increased in fiscal 1997 by 9.1% to $125.5 million from $115.0 million in fiscal 1996.

Research and development expenses increased by 22.5% to $22.0 million in fiscal 1997 from $17.9 million in fiscal 1996. Research and development expenses as a percentage of net revenues were 3.7% in fiscal 1997 compared to 3.4% in fiscal 1996. The increases were due to additional product and application development expenditures.

Non-recurring charges of $81.3 million net of tax ($90.8 million pre-tax), or $2.44 per share, were recorded in the 1997 fiscal first quarter for costs connected to the Amsco Merger. The charges include transaction costs of $15.0 million and restructuring charges of $66.3 million net of tax. The transaction costs are for legal, accounting, investment banking, and related expenses. The restructuring charges are for (i) elimination of redundant facilities and other assets ($27.0 million), (ii) satisfaction of Amsco executive employment agreements and other employee severance ($19.3 million), (iii) write-off of goodwill related to Amsco's Finn-Aqua business ($27.3 million), and (iv) other merger-related items. Cash payments for fiscal 1997 related principally to transaction costs, executive employment agreements, and associate severance.

Interest expense decreased by 52.9% to $2.9 million in fiscal 1997 from $6.2 million in fiscal 1996. The decrease was due primarily to the July 1996 redemption of approximately $100 million of Amsco 4.5%/6.5% Convertible Subordinated Notes.

Interest income and other decreased by 29.2% to $4.5 million in fiscal 1997 from $6.4 million in fiscal 1996. The decrease in interest income was due primarily to lower cash, cash equivalents, and marketable security balances, with the lower balances resulting from the cash redemption of the aforementioned Amsco Convertible Subordinated Notes.

Excluding the effect of non-recurring items, income increased by 24.3% to $50.7 million ($1.43 per share) in fiscal 1997 from $40.8 million ($1.17 per share) in fiscal 1996.

The effective income tax rate for fiscal year 1997 differed from statutory rates principally because certain non-recurring items that increased the net loss are non-deductible for tax purposes. Non-deductible items include the write-off of goodwill related to Amsco's Finn-Aqua business and provisions for certain executive severance costs. Also, additional tax valuation allowances were provided to reflect the effects of merger activities.

As a result of the foregoing factors, the net loss for fiscal 1997 was $30.6 million, compared to net income of $40.8 million for fiscal 1996.

FISCAL YEAR 1996 COMPARED TO FISCAL YEAR 1995

Net revenues decreased by 2.0% to $534.6 million in fiscal 1996 from $545.8 million in fiscal 1995. Infection Prevention revenues increased by 1.4% to $290.0 million in fiscal 1996 from $286.1 million in fiscal 1995. Surgical Support revenues decreased by 3.5% to $112.4 million in fiscal 1996 from $116.5 million in fiscal 1995. Scientific and Industrial revenues decreased by 10.0% to $101.1 million in fiscal 1996 from $112.3 million in fiscal 1995. Management Services revenues increased by 0.8% to $31.1 million in fiscal 1996 from $30.8 million in fiscal 1995.

The cost of products and services sold decreased by 2.6% to $331.9 million in fiscal 1996 from $340.9 million in fiscal 1995. The cost of products and services sold as a percentage of net revenues was 62.1% in fiscal 1996 compared to 62.5% in fiscal 1995.

Selling, general, and administrative expenses decreased by 5.6% to $115.0 million in fiscal 1996 from $121.8 million in fiscal 1995.

Research and development expenses increased by 3.5% to $17.9 million in fiscal 1996 from $17.3 million in fiscal 1995. Research and development expenses as a percentage of net revenues were 3.4% in fiscal 1996 compared to 3.2% in fiscal 1995. The increases were due to additional product and application development expenditures.

Interest expense decreased by 35.7% to $6.2 million in fiscal 1996 from $9.6 million in fiscal 1995. The decrease was due primarily to the extinguishment of certain debt in December 1994.

Interest income and other increased by 214.7% to $6.4 million in fiscal 1996 from $2.0 million in fiscal 1995. The increase in interest income was due primarily to an overall increase in funds available for investment during the year.

As a result of the foregoing factors, income from continuing operations was $40.8 million in fiscal 1996, compared to $15.7 million in fiscal 1995.

DISCONTINUED OPERATION

On June 23, 1994, the former Amsco Board of Directors approved a plan to divest or wind-down the business of its subsidiary American Sterile Recoveries, Inc. (ASRI). Amsco's decision was based on the difficulties encountered in achieving ASRI's growth objectives in the health care environment existing at that time. In connection with this action, Amsco recorded a one-time after-tax charge of $60 million (net of taxes of $32.3 million). The charge reflected estimated asset write-offs and wind-down costs associated with discontinuing the ASRI business.

In connection with this divestment plan, ASRI consummated the sale of substantially all of its assets effective July 31, 1994. Proceeds from the disposal consisted of a combination of cash and a note totaling $14.9 million. As a result of the sale and its subsequent impact on the resolution of certain contingencies related to the transaction, during the third quarter of fiscal 1995, Amsco recorded a favorable after-tax adjustment of $10.9 million (net of taxes of $5.9 million) to the previously recorded estimated charge on the disposal of the ASRI business.

For the first quarter of fiscal 1995, ASRI had net revenues of $5.6 million and after-tax losses from operations of $2.6 million (net of taxes of $1.4 million). Total accruals for ASRI at March 31, 1996 were $3.1 million, which consisted primarily of wind-down costs. Substantially all the remaining accruals were satisfied in fiscal 1997 and the previously recorded accruals were sufficient. The results of operations for ASRI through the disposition date have been reflected in the accompanying consolidated financial statements as a discontinued operation.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 1997, the Company had $23.6 million in cash, cash equivalents, and marketable securities, compared to $150.0 million of the same at March 31, 1996. The decrease was primarily a result of the pay down of debt and acquisitions of businesses.

At March 31, 1997, the Company had accounts receivable of $164.2 million, compared to $129.3 million at March 31, 1996. The increase was attributable to increased revenues in the fourth quarter fiscal 1997 compared to the fourth quarter fiscal 1996.

At March 31, 1997, the Company had inventory of $78.8 million, compared to $73.7 million at March 31, 1996. The increase was primarily attributable to inventories of businesses acquired in the second and third fiscal quarters that were accounted for using the purchase method of accounting.

Property, plant, and equipment increased by 11.4% to $177.2 million as of March 31, 1997, compared to $159.1 million at March 31, 1996. The increase was due primarily to the increases resulting from acquired businesses that were accounted for using the purchase method of accounting, the investment in information systems, plant and equipment for an additional packaging plant for the production of sterilant and decontaminant, and facility renovations, partially offset by the write-down of assets resulting from the Amsco Merger.

Intangibles increased by 14.1% to $186.4 million as of March 31, 1997, compared to $163.4 million at March 31, 1996. The change resulted primarily because of an increase related to goodwill and intangibles of acquired companies, offset by the write-down of goodwill related to the Finn-Aqua business resulting from the Amsco Merger.

Total deferred income taxes increased by 19.1% to $39.8 million as of March 31, 1997, compared to $33.4 million at March 31, 1996. The increase was due primarily to the recognition of costs resulting from the Amsco acquisition and Merger.

Current liabilities increased by 16.9% to $158.7 million as of March 31, 1997, compared to $135.7 million at March 31, 1996. The increase in current liabilities was primarily a result of the liabilities of acquired businesses that were accounted for using the purchase method of accounting.

Other liabilities were $50.2 million as of March 31, 1997, compared to $50.3 million of the same at March 31, 1996.

Concurrent with the consummation of the Amsco Merger, STERIS entered into a two and one-half year $125 million unsecured revolving Credit Facility. The Credit Facility is available to facilitate the integration of the operations of STERIS or to be used for general corporate purposes. Loans under the Credit Facility bear interest, at STERIS's option, at either KeyBank National Association's prime rate or LIBOR rates plus 0.25 percent to 0.35 percent, which amounted to 5.8 percent at March 31, 1997. The Credit Facility contains customary covenants which include maintenance of certain financial ratios. As of March 31, 1997, retained earnings were not restricted under the Company's Credit facility. Outstanding borrowings under the Credit Facility were $35 million at March 31, 1997. All borrowings under the Credit Facility are scheduled to mature during fiscal 1999.

In July 1996, STERIS redeemed $99.4 million of Amsco's $100 million 4.5%/6.5% Convertible Subordinated Notes which were convertible into STERIS Common Shares. This transaction had no material effect on earnings per share.

The Company has no material commitments for capital expenditures. The Company believes that its cash requirements will increase due to increased sales requiring more working capital, accelerated research and development, and potential acquisitions or investments in complementary businesses. However, the Company believes that its available cash, cash flow from operations, and sources of credit will be adequate to satisfy its capital needs for the foreseeable future.

The overall effects of inflation on the Company's business during the periods discussed have not been significant. The Company monitors the prices it charges for its products and services on an ongoing basis and believes that it will be able to adjust those prices to take into account future changes in the rate of inflation.

The overall effects of foreign currency exchange rates on the Company's business during the periods discussed have not been significant. Movements in foreign currency exchange rates create a degree of risk to the Company's operations. These movements affect the U.S. dollar value of sales made in foreign currencies, and the U.S. dollar value of costs incurred in foreign currencies. Changing currency exchange rates also affect the company's competitive position, as exchange rate changes may affect profitability and business and/or pricing strategies of non-U.S. based competitors.

CONTINGENCIES

For a discussion of contingencies, see Note L to the consolidated financial statements.

FORWARD-LOOKING STATEMENTS

This discussion contains statements concerning certain trends and other forward-looking information affecting or relating to the Company and its industry that are intended to qualify for the protections afforded "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. There are many important factors that could cause actual results to differ materially from those in the forward-looking statements. Many of these important factors are outside STERIS's control. Changes in market conditions, including competitive factors and changes in governmental regulations, could cause actual results to differ materially from the Company's expectations. No assurance can be provided as to any future financial results. Other potentially negative factors that could cause actual results to differ materially from those in the forward-looking statements include the potential for increased pressure on pricing that leads to erosion in profit margins, and to the possibility of reduced demand, or reductions in the rate of growth in demand, for the Company's products.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Shareholders
STERIS Corporation

We have audited the accompanying consolidated balance sheets of STERIS Corporation and subsidiaries as of March 31, 1997 and 1996, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended March 31, 1997. Our audits also included the financial statement schedule listed in the index at Item 14(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule 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 consolidated financial position of STERIS Corporation and subsidiaries as of March 31, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 1997, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Cleveland, Ohio
April 21, 1997

STERIS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	MARCH 31 1997	MARCH 31 1996
ASSETS		
Current assets:		
Cash and cash equivalents	$ 20,576	$140,789
Marketable securities	2,977	9,193
Accounts receivable (net of allowances of $3,810 and $1,947, respectively)	164,163	129,312
Inventories	78,762	73,718
Current portion of deferred income taxes	24,888	7,914
Prepaid expenses and other assets	8,676	6,768
TOTAL CURRENT ASSETS	300,042	367,694
Property, plant, and equipment	177,184	159,084
Accumulated depreciation	(74,332)	(65,338)
Net property, plant, and equipment	102,852	93,746
Intangibles	186,417	163,354
Accumulated amortization	(67,032)	(59,498)
Net intangibles	119,385	103,856
Deferred income taxes	14,862	25,452
Other assets	2,314	1,949
TOTAL ASSETS	$ 539,455	$592,697
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term indebtedness	$ 12	$ 371
Accounts payable	39,323	31,710
Accrued income taxes	19,059	13,097
Accrued expenses and other	100,294	90,520
TOTAL CURRENT LIABILITIES	158,688	135,698
Long-term indebtedness	35,879	102,631
Other liabilities	50,172	50,309
TOTAL LIABILITIES	244,739	288,638
Shareholders' equity:		
Serial preferred shares, without par value, 3,000 shares authorized; no shares outstanding		
Common Shares, without par value, 100,000 shares authorized; issued and outstanding shares of 33,984 at March 31, 1997 and 32,986 at March 31, 1996, excluding 255 and 7 treasury shares, respectively	231,278	209,751
Retained earnings	69,513	100,119
Cumulative translation adjustment and other	(6,075)	(5,811)
TOTAL SHAREHOLDERS' EQUITY	294,716	304,059
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 539,455	$592,697

See notes to consolidated financial statements.

STERIS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEARS ENDED MARCH 31		
	1997	1996	1995
Net revenues	$587,852	$534,612	$545,752
Cost of products sold	356,007	331,911	340,928
GROSS PROFIT	231,845	202,701	204,824
Cost and expenses:			
Selling, general, and administrative	125,515	115,029	121,843
Research and development	21,986	17,941	17,340
Non-recurring items	90,831		26,996
	238,332	132,970	166,179
INCOME (LOSS) FROM OPERATIONS	(6,487)	69,731	38,645
Interest expense	(2,919)	(6,202)	(9,641)
Interest income and other	4,544	6,420	2,040
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(4,862)	69,949	31,044
Income taxes	25,744	29,159	15,308
INCOME (LOSS) FROM CONTINUING OPERATIONS	(30,606)	40,790	15,736
Loss from discontinued operation, net of income taxes			(51,658)
Extraordinary loss on extinguishment of debt, net of income taxes			(1,655)
NET INCOME (LOSS)	$(30,606)	$ 40,790	$(37,577)
EARNINGS (LOSS) PER SHARE			
From continuing operations	$ (0.91)	$ 1.17	$ 0.47
From discontinued operation			(1.54)
From extinguishment of debt			(0.05)
NET INCOME (LOSS)	$ (0.91)	$ 1.17	$ (1.12)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED IN COMPUTING EARNINGS (LOSS) PER SHARE	33,678	34,857	33,536

See notes to consolidated financial statements.

STERIS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEARS ENDED MARCH 31		
	1997	1996	1995
OPERATING ACTIVITIES			
Net (loss) income	$(30,606)	$ 40,790	$(37,577)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	16,528	19,694	18,501
Deferred income taxes	(12,173)	7,471	(16,190)
Extraordinary loss on extinguishment of debt, net of tax			1,655
Estimated loss on disposal of discontinued operation, net of tax			49,050
Non-recurring items	55,944		
Other items	1,489	1,550	75
Changes in operating assets and liabilities:			
Accounts receivable	(33,559)	4,090	(3,631)
Inventories	5,086	5,802	6,668
Other assets	2,645	(2,550)	2,432
Accounts payable and accruals	(4,121)	(9,648)	44,553
Other liabilities	15,053	2,610	3,049
NET CASH PROVIDED BY OPERATING ACTIVITIES	16,286	69,809	68,585
INVESTING ACTIVITIES			
Purchases of property, plant, equipment, and patents	(20,468)	(15,143)	(19,537)
Investment in businesses, net of cash acquired	(82,586)	(6,191)	(2,926)
Proceeds from notes receivable	8,438		
Purchases of marketable securities	(6,970)	(12,678)	(42,132)
Proceeds from sales of marketable securities	13,231	16,749	59,543
NET CASH USED IN INVESTING ACTIVITIES	(88,355)	(17,263)	(5,052)
FINANCING ACTIVITIES			
Payments on long term obligations	(106,802)	(1,080)	(54,516)
Borrowing under line of credit	40,000		
Purchase of treasury shares	(11,418)		
Proceeds from exercise of stock options	27,807	10,732	6,761
Tax benefits from exercise of stock options	5,138	12,477	1,384
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(45,275)	22,129	(46,371)
Effect of exchange rate changes on cash and cash equivalents	(2,869)	2,039	2,041
(Decrease) increase in cash and cash equivalents	(120,213)	76,714	19,203
Cash and cash equivalents at beginning of period	140,789	64,075	44,872
Cash and cash equivalents at end of period	$ 20,576	$140,789	$ 64,075

See notes to consolidated financial statements.

STERIS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

	COMMON SHARES NUMBER	COMMON SHARES AMOUNT	RETAINED EARNINGS	CUMULATIVE TRANSLATION AND OTHER
BALANCE AT MARCH 31, 1994	30,824	$174,034	$ 96,906	$(8,854)
Net loss			(37,577)	
Stock options exercised	830	6,761		
Tax benefit of stock options exercised		1,384		
Foreign currency translation adjustment				5,155
BALANCE AT MARCH 31, 1995	31,654	182,179	59,329	(3,699)
Net income			40,790	
Stock options exercised	1,332	10,732		
Tax benefit of stock options exercised		12,477		
Foreign currency translation adjustment				493
Restricted Stock Award and options issued at a discounted price		4,363		(4,363)
Amortization of Restricted Stock Award and options issued at a discounted price				1,758
BALANCE AT MARCH 31, 1996	32,986	209,751	100,119	(5,811)
Net loss			(30,606)	
Stock options exercised	1,448	27,807		
Tax benefit of stock options exercised		5,138		
Foreign currency translation adjustment				(2,869)
Treasury shares purchased	(450)	(11,418)		
Amortization of Restricted Stock Award and options issued at a discounted price				2,605
BALANCE AT MARCH 31, 1997	33,984	$231,278	$ 69,513	$(6,075)

See notes to consolidated financial statements.

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

YEARS ENDED MARCH 31, 1997 AND 1996

A. ACCOUNTING POLICIES

STERIS Corporation (the "Company" or "STERIS") develops, manufactures, markets, and services infection prevention, contamination control, and surgical support systems, products, and technologies for healthcare, scientific, research, and industrial Customers throughout the world.

BUSINESS COMBINATION

On May 13, 1996, STERIS merged with Amsco International, Inc. ("Amsco") in a tax-free, stock-for-stock transaction (the "Amsco Merger"). The Amsco Merger has been accounted using the pooling-of-interests method. Accordingly, the accompanying consolidated financial statements give retroactive effect to the transaction and include the combined operations of STERIS and Amsco for all periods presented. In addition, the historical financial information of Amsco (previously reported using fiscal years ending December 31) has been recast to conform to STERIS's annual reporting period ending March 31.

In accordance with the merger agreement, each outstanding share of Amsco common stock was converted on a tax-free basis into 0.46 of a Common Share of STERIS, resulting in the issuance of approximately 15,200,000 STERIS Common Shares. Summarized operating results of the separate entities for the period prior to the Amsco Merger follow:

	STERIS	AMSCO	COMBINED
YEAR ENDED MARCH 31, 1996:			
Net revenues.............................	$91,192	$443,420	$534,612
Income from operations...................	20,279	49,452	69,731
Net income...............................	12,794	27,996	40,790
YEAR ENDED MARCH 31, 1995:			
Net revenues.............................	$64,272	$481,480	$545,752
Income from operations...................	13,226	25,419	38,645
Net income (loss)........................	8,736	(46,313)	(37,577)

CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated upon consolidation. Certain reclassifications have been made to the Company's prior year financial statements to agree with current year classifications.

CASH EQUIVALENTS AND MARKETABLE SECURITIES

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist exclusively of interest-bearing savings accounts and U.S. government securities. Marketable securities represent investments in United States government agency securities.

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Supplemental disclosure of cash flow information follows:

	YEARS ENDED MARCH 31		
	1997	1996	1995
Cash paid during the year for			
Interest	$ 6,130	$ 4,922	$9,290
Income taxes	$17,286	$12,445	$8,071

REVENUES

The Company's net revenues include revenues earned on product sales and related after-sales, third-party service contracts and long-term construction contracts. The Company recognizes product revenues upon shipment to a location designated by the Customer. After-sales and third-party service contract revenues are recognized upon completion of the work. Advance billings for products or service work are recorded as deferred revenue until earned. Revenue on long-term construction contracts is recognized on the percentage-of-completion basis, using the cost-to-cost method.

The Company performs periodic credit evaluations of its Customers' financial condition and generally does not require collateral on sales. The Company principally sells to health care institutions with no single Customer accounting for more than two percent of sales during the year ended March 31, 1997.

ESTIMATES

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

FOREIGN CURRENCY TRANSLATION

The accounts of the Company's foreign subsidiaries are recorded in the currency of the country in which they operate. The Company applies FASB Statement No. 52 relative to the translation of foreign currency financial statements into U.S. dollars and the accounting for foreign currency transactions. Under this statement, all balance sheet accounts except stockholders' equity are translated at current exchange rates, and revenue and expense items are translated at rates of exchange prevailing during the year. Gains and losses resulting from the translation of foreign currency financial statements are reflected in the cumulative translation adjustment component of stockholders' equity, which amounted to $6,075 and $3,206 as of March 31, 1997 and 1996, respectively.

B. INVENTORIES

Inventories are stated at the lower of cost or market. Inventories utilizing the last-in, first-out method represent 54% and 66% of the inventory at March 31, 1997 and 1996, respectively, with the remainder of the inventory using the first-in, first-out method (FIFO). Inventory costs include material, labor and overhead. If

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

the FIFO method of inventory costing had been used exclusively, inventories would have been $10,934 and $10,327 higher than those reported at March 31, 1997 and 1996, respectively. Inventories were as follows:

	MARCH 31	
	1997	1996
Raw material	$30,027	$25,411
Work in process	15,240	19,922
Finished goods	33,495	28,385
	$78,762	$73,718

C. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are stated at cost, less accumulated depreciation. The Company provides for depreciation of the net carrying cost less anticipated salvage value over the estimated remaining useful lives of property, plant, and equipment, principally by using the straight line method. Depreciation expense was approximately $8,994, $11,728 and $9,749 for the years ended March 31, 1997, 1996 and 1995, respectively. Expenditures that increase the value or productive capacity of assets are capitalized. Property, plant, and equipment consist of the following:

	MARCH 31	
	1997	1996
ASSET (ASSET LIVES)		
Land and land improvements (12 years)	$ 3,110	$ 1,958
Buildings and leasehold improvements (10-50 yrs)	62,558	61,039
Machinery and equipment (3-15 years)	111,516	96,087
TOTAL	177,184	159,084
Less: accumulated depreciation	74,332	65,338
PROPERTY, PLANT AND EQUIPMENT, NET	$102,852	$93,746

Rental expense under all leases was approximately $10,784, $10,708 and $12,142 for the years ended March 31, 1997, 1996 and 1995, respectively. Operating leases relate principally to warehouse and office space, service facilities, vehicles, equipment and communication systems. Future minimum annual rentals payable under noncancelable leases in fiscal 1998, 1999, 2000, 2001, 2002 and thereafter are $7,874, $5,488, $3,083, $2,515, $2,018, and $1,627, respectively.

D. INTANGIBLE ASSETS

Costs incurred to obtain product technology rights, including patents, have been capitalized and are being amortized over their estimated useful lives of five to seventeen years using the straight-line method. The Company currently provides for the amortization of intangible assets, including goodwill, over lives ranging

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

from 5-40 years. The write-off of goodwill for Finn-Aqua Oy resulted in a decrease of goodwill of $27,250. Intangible assets consist of the following:

	MARCH 31	
	1997	1996
ASSETS (AMORTIZATION PERIOD)		
Goodwill, net of accumulated amortization of $20,700 and $17,550, respectively (35-40 years)	$105,578	$ 81,527
Patents, trademarks and other intangible assets, net of accumulated amortization of $46,332 and $41,948, respectively (5-17 years)	13,807	22,329
TOTAL	$119,385	$103,856

In late December 1996, STERIS completed the acquisition of the assets of the infection control and contamination control businesses of Calgon Vestal Laboratories from Bristol-Myers Squibb Company. The acquisition expands STERIS's consumable product lines for surface cleaning and decontamination. The acquisition was accounted for using the purchase method of accounting and resulted in an increase in goodwill of $52,979.

During the second quarter of fiscal 1997, STERIS acquired Surgicot, Inc., a privately held manufacturer and supplier of biological and chemical sterile process monitors, sterilization wraps and pouches, and other consumable infection prevention products for the health care and scientific markets. The acquisition was accounted for using the purchase method of accounting and resulted in an increase in goodwill of $4,126.

The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of any intangible may warrant revision or that the remaining balance of the intangible may not be recoverable. When factors indicate that the intangibles should be evaluated for possible impairment, the Company uses an estimate of the related operation's cash flow from operations over the remaining life to determine recoverability.

E. FINANCIAL INSTRUMENTS

Concurrent with the consummation of the Amsco Merger, STERIS entered into a two and one-half year $125,000 unsecured revolving Credit Facility. The Credit Facility is available to facilitate the integration of the operations of STERIS or to be used for general corporate purposes. Loans under the Credit Facility bear interest, at STERIS's option, at either KeyBank National Association's prime rate or LIBOR rates plus 0.25 percent to 0.35 percent, which amounted to 5.8 percent at March 31, 1997. The Credit Facility contains customary covenants which include maintenance of certain financial ratios. As of March 31, 1997, retained earnings were not restricted under the Company's Credit Facility. Outstanding borrowings under the Credit

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Facility were $35,000 at March 31, 1997. All borrowings under the Credit Facility are scheduled to mature during fiscal 1999. Long-term indebtedness was as follows:

	MARCH 31	
	1997	1996
Credit Facility due 9/30/98	$35,000	$ 0
4.5%/6.5% Step-Up Convertible Subordinated Debentures due 2002	579	100,000
Other debt	312	3,002
Total	35,891	103,002
Less current portion	12	371
Long-term portion	$35,879	$102,631

In July 1996, STERIS redeemed $99,400 of Amsco's $100,000 4.5%/6.5% Convertible Subordinated Notes which were convertible into STERIS Common Shares. This transaction had no material effect on earnings per share.

As of March 31, 1997 and 1996, the Company was contingently liable in the amount of $27,200 and $26,700, respectively, under standby letters of credit and guarantees. Approximately $11,500 and $13,200 of the totals at March 31, 1997 and 1996, respectively, relate to letters of credit required as security under the Company's self-insured risk retention policies. The remaining balance in each year relates to performance bonds on long-term contracts.

The fair value of the Company's financial instruments, including long-term indebtedness and cash, cash equivalents and marketable securities that amounted to $23,553 and $149,982 as of March 31, 1997 and 1996, respectively, approximated their carrying values.

An extraordinary charge on the early extinguishment of debt of $1,655, net of income taxes, was recorded in fiscal 1995. The extinguishment costs reflected the December 1994 extinguishment of Amsco's 8.79% Senior Note due July 31, 2004 (the "Senior Note") in the aggregate principal amount of $50,000, and the termination of the Amsco bank credit agreement, which included a revolving credit facility in the maximum principal amount of $90,000.

On January 30, 1997 the Company announced that its Board of Directors had authorized the periodic repurchase of up to three million STERIS Common Shares in the open market. As of April 1997, the Company had repurchased 550,000 STERIS Common Shares.

F. ACCRUED EXPENSES AND OTHER

Accrued expenses and other consisted of the following:

	MARCH 31	
	1997	1996
Accrued warranty and product upgrade costs	$ 12,390	$11,396
Accrued self insured retention	11,200	12,508
Other accruals	76,704	66,616
TOTAL	$100,294	$90,520

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

G. INCOME TAXES

The Company records the effect of income taxes using the liability method. Income (loss) from continuing operations before income taxes was as follows:

	MARCH 31		
	1997	1996	1995
U. S. operations	$ 2,995	$70,628	$38,296
Non-U. S. operations	(7,857)	(679)	(7,252)
	$(4,862)	$69,949	$31,044

The components of the provision for income taxes for continuing operations before extraordinary items consisted of the following:

	MARCH 31		
	1997	1996	1995
Current provision:			
U.S. federal	$29,247	$13,470	$23,345
U.S. state and local	2,471	3,198	5,241
Non-U.S.	1,061	1,069	1,295
Total current provision	32,779	17,737	29,881
Deferred credit	(12,173)	(1,055)	(15,957)
Taxes allocated to contributed capital for stock options exercised	5,138	12,477	1,384
Total provision for income taxes	$25,744	$29,159	$15,308

The total provision for income taxes for continuing operations before extraordinary items can be reconciled to the tax computed at the U.S. federal statutory rate as follows:

	MARCH 31		
	1997	1996	1995
Tax computed at the U.S. federal statutory tax rate	$(1,702)	$24,482	$10,865
Merger and related costs for which no tax benefit was provided	22,260	0	0
State taxes, net of federal income tax benefit	1,606	2,079	1,788
Amortization of excess cost over net assets acquired	831	870	672
Valuation allowance	1,646	513	1,996
Difference in non-U.S. tax rates	500	554	692
All other, net	603	661	(705)
Total provision for income taxes	$25,744	$29,159	$15,308

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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The significant components of the deferred tax assets and liabilities recorded in the accompanying balance sheets at March 31, 1997 and 1996, were as follows:

	MARCH 31	
	1997	1996
DEFERRED TAX ASSETS		
Post-retirement benefit accrual	$17,397	$ 17,167
Net operating loss carryforwards	7,990	9,974
Accrued expenses and other	29,238	35,819
Gross deferred tax assets	54,625	62,960
Valuation allowance	(7,990)	(6,344)
Total deferred tax assets	$46,635	$ 56,616
DEFERRED TAX LIABILITIES		
Plant & equipment	$ (450)	$ (8,612)
Intangibles	(3,519)	(4,564)
Inventory	(246)	(5,348)
Other	(2,670)	(4,726)
Total deferred tax (liabilities)	$(6,885)	$(23,250)

For tax return purposes, certain subsidiaries, both U.S. and non-U.S., had operating loss carryforwards of $22,820. Carryforwards of $12,276 have no expiration dates and the balance expires at various dates from 1998 through 2005. The valuation allowance applies to net operating losses carryforwards that may expire before the Company can utilize them. The net change in the total valuation allowance for the year ended March 31, 1997 was an increase of $1,646, primarily due to an increase in non-U.S. net operating losses and the effect of foreign restructuring.

At March 31, 1997, undistributed earnings of non-U.S. subsidiaries included in consolidated retained earnings amounted to $24,838. These earnings are indefinitely reinvested in non-U.S. operations. Accordingly, no provision has been made for withholding taxes related to such earnings, nor is it practicable to determine the amount of this liability.

H. PENSION PLANS

The Company has a defined benefit pension plan which covers substantially all domestic bargaining unit Associates and provides pension benefits of stated amounts for each year of service of the Associate. The Company also has defined benefit plans which cover substantially all bargaining and non-bargaining Associates of the Company's subsidiaries in Finland and Germany, as well as certain other foreign distribution

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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entities. The Company's funding methodologies differ from those used to recognize pension expense in the accompanying financial statements. Net periodic pension cost includes the following components:

	MARCH 31					
	1997		1996		1995	
	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN
Service cost: benefits earned during the period	$ 517	$ 168	$ 464	$ 139	$ 565	$ 134
Interest cost on projected benefit obligation	2,133	94	2,089	95	1,885	93
Actual return on assets	(2,863)	(12)	(7,066)	(14)	(1,093)	(17)
Net amortization and deferral	577	0	5,323	0	(701)	0
Net periodic pension cost	$ 364	$ 250	$ 810	$ 220	$ 656	$ 210

The following table sets forth the pension plan's funded status and amounts recognized in the accompanying consolidated balance sheets:

	MARCH 31			
	1997		1996	
	DOMESTIC	FOREIGN	DOMESTIC	FOREIGN
Actuarial present value of benefit obligations:				
Vested	$(28,278)	$(2,257)	$(29,434)	$(1,711)
Nonvested	(936)	0	(1,147)	0
Projected benefit obligation (equal to the accumulated benefit obligation)	(29,214)	(2,257)	(30,581)	(1,711)
Plan assets at fair value	32,579	0	31,769	189
Plan assets greater (less) than projected benefit obligation	3,365	(2,257)	1,188	(1,522)
Unamortized initial net asset	(1,328)	0	(1,375)	0
Unrecognized net gain	(4,734)	0	(2,376)	0
Unrecognized prior service cost	2,439	0	2,635	0
(Accrued) prepaid pension cost	$ (258)	$(2,257)	$ 72	$(1,522)

A weighted average discount rate of 7.75%, 7.25% and 8.5% was used in determining the actuarial present value of the projected benefit obligation at March 31, 1997, 1996 and 1995, respectively. The expected long-term rates of return on assets at the respective measurement dates were 8%, 7.5%, and 7.5% at March 31, 1997, 1996 and 1995. The initial net asset is being amortized and recognized as a component of net periodic pension cost on a straight-line basis over 15 years. Plan assets consist primarily of common stocks, corporate bonds, U.S. government obligations, temporary investments and private placement investments.

The Company also administers a defined benefit 401(k) Plan (the "Plan") for eligible Associates. During fiscal 1997, the Company amended the Plan to allow for matching contributions as determined by the Board of Directors. For fiscal 1997, matching contributions amounted to $1,117. In addition, the Company administers the Amsco Employees' Retirement Account (the "AERA"), which is a qualified employee stock ownership plan. The AERA enabled eligible Associates to receive an equity participation in the Company. Contributions declared by the former Amsco Board of Directors, up to a maximum of 25% of eligible Associate compensation, were made to the AERA. No further contributions will be made to the AERA. The AERA in turn used the funds to purchase shares of the Company's stock or make investments in certain other

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

securities. Contribution expense for AERA amounted to $1,862, $3,165 and $2,696 in 1997, 1996 and 1995, respectively.

I. POSTRETIREMENT BENEFITS

The Company has defined benefit retirement health care plans for the majority of domestic bargaining unit Associates. Such Associates are generally eligible for benefits upon retirement after completion of a specified number of years of creditable service. The Company does not pre-fund these benefits and has the right to modify these plans in the future. The components of expense in fiscal 1997, 1996 and 1995 were as follows:

	MARCH 31		
	1997	1996	1995
Service costs of benefits earned during the period	$ 99	$ 749	$1,014
Interest cost on accumulated postretirement benefit obligation	3,321	3,607	3,359
Net postretirement benefit costs	$3,420	$4,356	$4,373

The accumulated postretirement benefit obligation at March 31, 1997 and 1996, which is reflected in the accompanying consolidated balance sheets, is comprised of the following components:

	MARCH 31	
	1997	1996
Accumulated postretirement benefit obligation		
Retirees	$28,043	$28,896
Fully eligible active plan participants	10,396	8,297
Other active plan participants	14,458	16,449
Total	52,897	53,642
Unrecognized prior service costs	2,290	1,343
Unrecognized net loss	(5,481)	(5,937)
Accrued postretirement benefit liability	49,706	49,048
Less current portion	2,708	2,400
Long-term accrued postretirement benefit liability	$46,998	$46,648

Future benefit costs were estimated assuming medical costs would increase on a weighted average basis at approximately a 7.25% annual rate (7.13% in fiscal 1996 and 9% in fiscal 1995), decreasing to approximately a 5% annual growth rate ratably over the next four years and then remaining at that rate (4.5% in fiscal 1996 and 5% in fiscal 1995). A 1% increase in this annual trend rate would have increased the accumulated postretirement benefit obligation at March 31, 1997, by $5,260 and increased the 1997 postretirement benefit expense by $943. The weighted average discount rate used to estimate the accumulated postretirement benefit obligation was 7.75% for fiscal 1997 and 7.25% for fiscal 1996.

During fiscal 1997, the Company announced changes in various benefit plans that better conformed benefits available to various Associate groups. One such change will result in a curtailment of retiree health care benefits for certain non-bargaining unit active plan participants. The net postretirement benefit cost for fiscal 1997 reflects the effects of this change. The impact of the change, which may result in a curtailment gain, was not reasonably estimable as of March 31, 1997, and accordingly, has not been recognized.

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

J. NON-RECURRING TRANSACTIONS

Non-recurring charges of $90,831 ($81,300 net of tax, or $2.44 per share) were recorded in the 1997 fiscal first quarter for costs related to the Amsco Merger. The charges include transaction costs of approximately $15,000 and other non-recurring charges of approximately $75,800 ($66,300 net of tax). The transaction costs are for legal, accounting, investment banking, and related expenses. The other non-recurring charges are for (i) elimination of redundant facilities and other assets ($27,000), (ii) satisfaction of Amsco executive employment agreements and other Associate severance ($19,300), (iii) write-off of goodwill related to Amsco's Finn-Aqua business which was impaired as a result of the planned merger activities ($27,250), and (iv) other merger-related items. Property write downs of $20,000 were recorded as part of the estimated cost of eliminating redundant facilities based on fair value estimates. During fiscal 1997, STERIS closed a manufacturing and research facility in Apex, North Carolina, Amsco's headquarters in Pittsburgh, Pennsylvania, as well as Customer Service facilities in Dallas, Texas and Atlanta, Georgia. Operations of the closed facilities were consolidated into existing STERIS facilities. As of March 31, 1997, the carrying value of facilities to be disposed of was approximately $4,500. Cash payments for fiscal 1997 related principally to transaction costs, executive employment agreements and Associate severance. Associate severance costs incurred related to closed facilities. The planned Associate severance was substantially complete as of March 31, 1997. Such severance included approximately 150 individuals and cost approximately $6,000.

In fiscal 1995, Amsco implemented certain cost containment measures in order to continue to streamline and reorganize certain operations commensurate with the health care market environment that prevailed at that time. These cost containment measures included severance pay related to work force reductions; abandoned lease expense; asset write-offs associated with the centralization of Amsco's corporate headquarters; restructuring of certain international distribution entities and manufacturing facilities; operations consolidations associated with a realignment of Amsco's manufacturing facilities; and computer hardware and software write-offs associated with the removal of certain obsolete systems. As a result, Amsco recognized costs of $26,996 in fiscal 1995.

K. DISCONTINUED OPERATION

On June 23, 1994, the former Amsco Board of Directors approved a plan to divest or wind-down the business of its subsidiary American Sterile Recoveries, Inc. (ASRI). Amsco's decision was based on the difficulties encountered in achieving ASRI's growth objectives in the health care environment existing at that time. In connection with this action, Amsco recorded a one-time after-tax charge of $60,000 (net of taxes of $32,300). The charge reflected estimated asset write-offs and wind-down costs associated with discontinuing the ASRI business.

In connection with this divestment plan, ASRI consummated the sale of substantially all of its assets effective July 31, 1994. Proceeds from the disposal consisted of a combination of cash and a note totaling $14,900. As a result of the sale and its subsequent impact on the resolution of certain contingencies related to the transaction, during the third quarter of fiscal 1995, Amsco recorded a favorable after-tax adjustment of $10,949 (net of taxes of $5,897) to the previously recorded estimated charge on the disposal of the ASRI business.

For the first quarter of fiscal 1995, ASRI had net revenues of $5,625 and after-tax losses from operations of $2,607 (net of taxes of $1,350). Total accruals for ASRI at March 31, 1996 were $3,050, which consisted primarily of wind-down costs. Substantially all the remaining accruals were satisfied in fiscal 1997 and the previously recorded accruals were sufficient. The results of operations for ASRI through the disposition date have been reflected in the accompanying consolidated financial statements as a discontinued operation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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L. CONTINGENCIES

PRODUCT LIABILITY EXPOSURE. In the ordinary course of business, STERIS is subject to product liability lawsuits related to products it manufactures and distributes. STERIS presently maintains product liability insurance coverage in amounts and with deductibles that it believes are prudent and defends itself vigorously against all such actions. Although there can be no assurance that the outcome of any particular product liability lawsuit will be favorable to STERIS, the Company believes that pending product liability lawsuits will not have a material adverse effect on STERIS's business or financial condition.

ENVIRONMENTAL MATTERS. The Environmental Protection Agency has alleged that Amsco is a potentially responsible party ("PRP") within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (the "Superfund Act") with respect to a Superfund Act site near Erie, Pennsylvania (the "Site") that allegedly received foundry sands and other potentially contaminated materials originated by Amsco. Amsco and 8 other PRPs, all of whom were named in a 1992 unilateral administrative order (the "Administrative Order") remain as members of a group formed to respond to the Administrative Order. Although there can be no assurance that the costs will not be higher, STERIS believes that the ultimate cost to complete the remediation of the site will be less than $2 million.

FDA REGULATION. As disclosed in the Amsco financial statements that were included in the STERIS 8-K/A filed with the Securities and Exchange Commission on June 25, 1996, Amsco was notified by the US Food and Drug Administration ("FDA") on January 20, 1995 that the FDA applied its Application Integrity Policy ("AIP") to Amsco. Consequently, all Amsco pre-market submissions would not be reviewed by FDA until Amsco completed certain corrective actions to the satisfaction of FDA, including audits of certain previously cleared 510(k) notifications. FDA's AIP has never been applied to STERIS nor has the review of any STERIS pre-market submission been delayed because of the AIP.

On December 24, 1996, FDA terminated the application of AIP to Amsco, and agreed to resume scientific review of Amsco pre-market submissions. This determination was based on the agency's review of corrective action plans, FDA's inspection of the Amsco subsidiary in Erie, Pennsylvania, and the withdrawal of certain 510(k) notifications. Additionally, based on audits of past Amsco data, STERIS agreed to either supplement certain existing pre-market notifications or file new pre-market notifications.

STERIS believes that it is currently in conformity in all material respects with all FDA-related regulatory requirements. It is, however, possible that the FDA would disagree with this belief and seek to apply one or more of the remedies available to it under applicable law, which could have a material adverse effect on STERIS. STERIS is committed to maintaining compliance with all applicable FDA regulations.

LITIGATION. There are other various pending lawsuits and claims arising out of the conduct of STERIS's business. In the opinion of management, the ultimate outcome of these lawsuits and claims will not have a material adverse effect on STERIS's consolidated financial position or results of operations.

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M. BUSINESS SEGMENT INFORMATION

The Company operates in a single business segment. The following is information about the Company's operations by geographic area:

	MARCH 31		
	1997	1996	1995
Net revenues --			
Net revenues (including intergeographic net revenues of $11,594, $13,755 and $9,750 for the years 1997, 1996 and 1995, respectively) -- United States	$499,273	$490,667	$502,537
Net revenues (including intergeographic net revenues of $31,940, $37,944 and $34,418 for the years 1997, 1996 and 1995, respectively) -- Foreign	132,113	95,644	87,383
Adjustments and eliminations	(43,534)	(51,699)	(44,168)
Consolidated net revenues	$587,852	$534,612	$545,752
Income (loss) from operations			
United States	$ (1,787)	$ 68,553	$ 43,259
Foreign	(4,700)	1,178	(4,614)
Consolidated	(6,487)	69,731	38,645
Other income (expenses), including interest and general corporate expenses	1,625	218	(7,601)
Income (loss) from continuing operations before income taxes	$ (4,862)	$ 69,949	$ 31,044
Identifiable assets			
United States	$430,227	$344,549	$367,692
Foreign	85,675	98,166	90,600
Corporate	23,553	149,982	77,162
Consolidated identifiable assets	$539,455	$592,697	$535,454

Transfers between geographic areas are accounted for at prices which approximate arms-length market prices. To reconcile geographic information with consolidated amounts, intergeographic net revenues were eliminated. Income (loss) from operations is total continuing revenue less costs and expenses without the effect of interest expense and other nonoperating income. Identifiable assets are those assets that are identified with the operations in each geographic area. Corporate assets are principally cash and short-term marketable securities. Revenues to a single Customer did not aggregate two percent or more of total revenues. Export revenues were less than 10% of consolidated net revenues in the years presented and are included in United States net revenues. Revenues by principal product are as follows:

	YEARS ENDED MARCH 31		
	1997	1996	1995
Infection Prevention	$320,664	$290,019	$286,065
Surgical Support	128,502	112,400	116,529
Scientific and Industrial	101,442	101,124	112,348
Management Services	37,244	31,069	30,810
Total	$587,852	$534,612	$545,752

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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N. STOCK OPTIONS

The Company has granted nonqualified stock options to certain Associates to purchase the Company's Common Shares at the market price on the date of grant. Stock options granted become exercisable to the extent of one-fourth of the optioned shares for each full year of employment following the date of grant and expire 10 years after the date of grant, or earlier if an option holder ceases to be employed by the Company. The Company applies the provisions of Accounting Principles Board Opinion No. 25, which provides that no compensation expense is recognized when the exercise price equals the market price of the stock on the date of grant.

The computations of earnings (loss) per Common Share and Common Share equivalents give retroactive effect to the Amsco Merger and are based upon the weighted average number of Common Shares outstanding and when applicable, the dilutive effect of Common Share equivalents (consisting solely of stock options). Incremental Common Share equivalents are calculated for each measurement using the treasury stock method. Common Share equivalents were antidilutive for the fiscal year 1997 and accordingly were excluded from the computation of earnings (loss) per Common Share for such period. Following is a summary in thousands of Common Shares and Common Share equivalents outstanding used in the calculations of earnings (loss) per share.

	YEARS ENDED MARCH 31		
	1997	1996	1995
Weighted average Common Shares outstanding.......	33,678	32,511	31,024
Dilutive effect of stock options -- primary basis..	0	2,248	2,389
Weighted average Common Shares and equivalents -- primary basis..................................	33,678	34,759	33,413
Additional dilutive effect of stock options -- fully diluted basis.................	0	98	123
Weighted average Common Shares and equivalents -- fully diluted basis............................	33,678	34,857	33,536

The Financial Accounting Standards Board (the "FASB") has issued a Statement that will require the Company to calculate earnings per share using different methods, beginning in the 1998 fiscal third quarter (early adoption is prohibited). Applying the new methods to fiscal 1997 operations would not change reported results.

Effective July 11, 1995, Amsco entered into an employment agreement with its President and Chief Executive Officer (CEO) that included the granting of 690,000 nonqualified stock options at a discounted exercise price of $26.35. The fair value of the options was $16.50 per share. 460,000 of the stock options were performance-based and vested if Amsco's common stock achieved certain market value criteria. During the second quarter of fiscal 1996, 230,000 of these performance-based options vested because the average fair market value of Amsco's common stock exceeded target prices. The remaining performance-based options vested in fiscal 1997. The employment agreement referred to above also included an award of 37,939 shares of restricted stock of Amsco. Based on the terms of the award, this stock became completely vested during fiscal 1997. Upon granting the stock options and awarding the restricted stock to the Amsco CEO, Amsco recorded $4,363 of deferred compensation expense, which was amortized over defined vesting schedules. The unamortized portion of the awards was $2,605 as of March 31, 1996, and was recorded as a component of the special equity account entitled "foreign currency translation and other" on the accompanying consolidated balance sheet. In the event of an accelerated vesting of any portion of the performance-based options, Amsco was required to record immediately any unrecognized compensation expense related to such options. During

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the second quarter of fiscal 1996, Amsco recorded an approximate $1,000 charge to earnings because of the accelerated vesting of the 230,000 options discussed above. This charge was reflected as general and administrative expense in the accompanying consolidated statement of operations. As a result of the Amsco Merger, vesting accelerated for the remaining stock options and restricted stock agreements. The related charges were recorded as part of the non-recurring charge in the accompanying consolidated statement of operations.

Following is a summary of option share information. The average grant price and fair value shown for fiscal 1996 excludes the options granted at a discounted exercise price.

	BEGINNING OF YEAR	GRANTED	EXERCISED	CANCELED	END OF YEAR
Fiscal 1997					
Option Shares........	3,851,468	725,288	(1,448,695)	(166,675)	2,961,386
Average Price........	$16.10	$27.38	$19.32	$28.03	$16.61
Fair Value...........		$13.23			
Fiscal 1996					
Option Shares........	4,351,644	1,021,644	(1,332,348)	(189,472)	3,851,468
Average Price........	$11.98	$19.72	$8.02	$21.96	$16.10
Fair Value...........		$9.78			
Fiscal 1995					
Option Shares........	4,147,490	1,250,532	(829,677)	(216,701)	4,351,644
Price Range..........	$57.61 -- $.46	$21.47 -- $10.00	$23.91 -- $.46	$54.35 -- $15.49	$57.61 -- $.46

In relation to the exercise of approximately 190,000 options during the 1997 fiscal year, an executive officer of the Company borrowed from the Company approximately $1,700. The related full recourse note bears interest at 6.4% and is payable on or before February 28, 2002.

Shares available for future grants were 308,001 at March 31, 1997. At March 31, 1997, the range and weighted average per share exercise prices of options outstanding and exercisable, and the weighted-average remaining contractual life (years) for exercisable options, was as follows:

	OUTSTANDING		EXERCISABLE		
RANGE OF EXERCISE PRICES	OPTION SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	OPTION SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	CONTRACT LIFE (YEARS)
$0.96 -- $3.50	637,544	$ 1.19	637,544	$ 1.19	2.1
$3.51 -- $8.75	556,026	6.53	503,526	6.41	5.5
$8.76 -- $23.91	743,247	15.53	396,597	15.78	7.0
$23.92 -- $56.79	1,024,569	32.39	355,194	41.83	8.0
	2,961,386	$ 16.61	1,892,861	$ 13.26	6.0

At March 31, 1996, options with an average exercise price of $13.94 were exercisable on 2,405,675 shares; at March 31, 1995, options with an average exercise price of $10.37 were exercisable on 3,246,275 shares.

Had the compensation cost for the stock options granted in fiscal 1997 and 1996 been determined based on the fair value at the grant date consistent with the fair value method of FASB Statement No. 123, the Company's net loss and loss per share would have been increased by $3,060 ($.09 per share) in fiscal 1997 and net earnings and earnings per share would have been reduced by $2,960 ($.09 per share) in fiscal 1996. The effect on fiscal 1997 and 1996 net earnings (loss) may not be representative of the effect on future years' net earnings amounts as the compensation cost of each year's grant is recognized over the four-year vesting period. Fair value was estimated at the date of grant using the Black-Scholes option pricing model and the following weighted-average assumptions for fiscal 1997 and 1996: risk-free interest rate of 6.5%; dividend yield of 0%; expected volatility of 45%; and an expected option life of 5 years.

O. COMMON SHARE RIGHTS

On October 24, 1996, the Board of Directors declared a dividend consisting of one Right for each outstanding Common Share. The distribution was paid on November 7, 1996 (the "Record Date"). Following the Shares Acquisition Date, each Right entitles the registered holder (other than an Acquiring Person) to purchase from the Company one Common Share at a price of $120.00 (the "Purchase Price"), subject to adjustment, or, under conditions described below, to acquire one Common Share for an exercise price of $1.00 per share (the "Exercise Price"). The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between the Company and KeyBank National Association, as Rights Agent.

Until such time as a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the Common Shares then outstanding (the "Shares Acquisition Date"), the Rights will be evidenced, with respect to any of the Common Share certificates outstanding as of the Record Date, by such Common Share certificates with a copy of a Summary of Rights attached thereto.

The Rights Agreement provides that, until the Shares Acquisition Date, the Rights will be transferred with and only with the Common Shares. The Rights are not exercisable until the Shares Acquisition Date. The Rights will expire at the close of business on November 7, 2006, unless redeemed earlier. Until a Right is exercised, the holder thereof, as such, will have no rights as stockholder of the Company, including, without limitation, the right to vote or receive dividends.

Upon the occurrence of a Triggering Event (as defined in the Rights Agreement), each holder of a Right, other than Rights that were or are beneficially owned by the Acquiring Person (which will thereafter be void), shall have the right to receive, upon exercise of the Right and payment of the Exercise Price, one Common Share of the Company.

At any time prior to the Shares Acquisition Date, the Board of Directors of the Company may redeem the Rights, at a price of $.01 per Right (the "Redemption Price"); except that, the Rights may not be redeemed on or after the date of the commencement by any Person (as defined in the Rights Agreement) of a tender or exchange offer if, upon consummation thereof, such Person would be an Acquiring Person unless such redemption is approved by a majority of the Continuing Directors (as defined in the Rights Agreement) and the Continuing Directors constitute a majority of the Board of Directors.

The provisions of the Rights Agreement may be amended by the Board of Directors in order to cure any ambiguity, to correct any defect or inconsistency or, prior to the Shares Acquisition Date, to make changes deemed to be not adverse to the interests of the holders of the Rights, except that, the Rights agreement may not be amended on or after the date of the commencement by any Person of a tender or exchange offer if, upon consummation thereof, such Person would be an Acquiring Person unless such amendment is approved by a majority of the Continuing Directors and the Continuing Directors constitute a majority of the Board of Directors.

The Rights could have the effect of discouraging a tender offer or exchange offer for Common Shares or the accumulation of a substantial number of Common Shares, unless the Board of Directors redeems the Rights.

STERIS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

P. QUARTERLY DATA (UNAUDITED)

	QUARTERS ENDED			
	MARCH 31	DECEMBER 31	SEPTEMBER 30	JUNE 30
FISCAL 1997				
Net revenues	$170,489	$ 151,005	$138,490	$127,868
Gross profit	71,460	59,774	53,325	47,286
Percentage of revenues	42%	40%	39%	37%
NET INCOME (LOSS)	$ 15,916	$ 13,535	$ 11,538	$(71,595)
Earnings per share: Net income(loss)	$ 0.45	$ 0.38	$ 0.33	$ (2.16)
FISCAL 1996				
Net revenues	$117,850	$ 163,623	$132,268	$120,871
Gross profit	45,792	62,300	48,058	46,551
Percentage of revenues	39%	38%	36%	39%
NET INCOME	6,867	17,552	7,199	9,172
Earnings per share: Net income	$ 0.20	$ 0.50	$ 0.21	$ 0.27

As discussed in Note J, certain non-recurring expenses were recognized in the 1997 first fiscal quarter.

STERIS CORPORATION AND SUBSIDIARIES

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
		ADDITIONS			
DESCRIPTION	BEGINNING OF PERIOD	CHARGES TO COSTS AND EXPENSES (1)	CHARGES TO OTHER ACCTS.	DEDUCTIONS (2)	BALANCE AT END OF PERIOD
Year ended March 31, 1997					
Deducted from asset accounts:					
Allowance for doubtful accounts..................	$ 1,947	$2,557	$0	$694	$ 3,810
Year ended March 31, 1996					
Deducted from asset accounts:					
Allowance for doubtful accounts..................	$ 1,754	$ 592	$0	$399	$ 1,947
Year ended March 31, 1995					
Deducted from asset accounts:					
Allowance for doubtful accounts..................	$ 1,699	$ 670	$0	$615	$ 1,754

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(1) Charges to costs and expenses during the periods reflect an increase in allowances to support larger receivable balances.

(2) Uncollectible accounts written off, net of recoveries.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Company incorporates herein by reference the information appearing under the captions "Board of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission on or about June 20, 1997.

Executive officers of the Company serve for a term of one year from the date of election to the next organizational meeting of the Board of Directors and until their respective successors are elected and qualified, except in the case of death, resignation, or removal. Information concerning executive officers of the Company is contained in Part I of this report under the caption "Executive Officers of the Registrant."

ITEM 11. EXECUTIVE COMPENSATION

The Company incorporates herein by reference the information appearing under the caption "Compensation of Executive Officers" of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission on or about June 20, 1997.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Company incorporates herein by reference the information appearing under the caption "Ownership of Voting Securities" of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission on or about June 20, 1997.

STERIS CORPORATION AND SUBSIDIARIES

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company incorporates herein by reference the information appearing under the caption "Compensation of Executive Officers" of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission on or about June 20, 1997.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE, AND REPORTS ON FORM 8-K

LIST OF CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

(a) (1) The following consolidated financial statements of STERIS Corporation and subsidiaries are included in Item 8:

Consolidated Balance Sheets -- March 31, 1997 and 1996.

Consolidated Statements of Operations -- Years ended March 31, 1997, 1996 and 1995.

Consolidated Statements of Cash Flows -- Years ended March 31, 1997, 1996 and 1995.

Consolidated Statements of Shareholders' Equity -- Years ended March 31, 1997, 1996 and 1995.

Notes to Consolidated Financial Statements -- March 31, 1997.

(a) (2) The following consolidated financial statement schedule of STERIS Corporation and subsidiaries is included in Item 8:

Schedule II -- Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted.

(a) (3) Exhibits

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
3.1	1992 Amended Articles of Incorporation of STERIS Corporation, amended as of May 13, 1996 (filed as Exhibit 4.2 to the Registration Statement on Form S-3 filed June 21, 1996, and incorporated herein by reference).
3.2	1992 Amended Regulations of STERIS Corporation (filed as Exhibit 3(b).4(b) to Form 10-Q filed for the quarter ended June 30, 1992, and incorporated herein by reference).
4.1	Specimen form of Common Stock Certificate (filed as Exhibit 4.1 to Amendment No. 1 to the Registration Statement on Form S-1 filed April 30, 1992, and incorporated herein by reference).
4.2	Indenture governing the 4 1/2%/6 1/2% Step-Up Convertible Subordinated Debentures due 2002, including the form of 4 1/2%/6 1/2% Step-Up Convertible Debenture due 2002 (incorporated by reference to Exhibit 2.1 of the Registration Statement on Form 8-A of Amsco International, Inc., filed on September 10, 1992 and amended on October 16, 1992).
4.3	First Supplemental Indenture, dated May 13, 1996 among Amsco International, Inc., STERIS Corporation and The Bank of New York (filed as Exhibit 4.3 to the Annual Report on Form 10-K for the fiscal year ended March 31, 1996, and incorporated herein by reference).
10.1	Amended Non-Qualified Stock Option Plan (filed as Exhibit 10.4 to Amendment No. 1 to the Registration Statement on Form S-1 filed April 23, 1992, and incorporated herein by reference).

STERIS CORPORATION AND SUBSIDIARIES

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.2	STERIS Corporation 1994 Equity Compensation Plan (filed as Exhibit 99 to the Registration Statement on Form S-8 filed April 21, 1995, and incorporated herein by reference).
10.3	STERIS Corporation 1994 Nonemployee Directors Equity Compensation Plan
10.4	Management Incentive Compensation Plan FY 1997
10.5	Amsco International, Inc. Stock Option Plan (incorporated by reference to Exhibit 4.1 to the Registration Statement of Amsco International, Inc. on Form S-8, Registration No. 33-79566, filed on June 2, 1994).
10.6	Form of grant of Incentive Stock Option under Amsco International, Inc. Stock Option Plan.
10.7	Form of grant of Non-Qualified Stock Option under the Amsco International, Inc. Stock Option Plan.
10.8	Credit Agreement, dated May 13, 1996, among STERIS Corporation, various financial institutions, and KeyBank National Association, as Agent (filed as Exhibit 10.14 to the Annual Report on Form 10-K for the fiscal year ended March 31, 1996, and incorporated herein by reference).
10.9	Promissory Note
21.1	Subsidiaries of STERIS Corporation
23.1	Consent of Independent Auditors
24	Powers of Attorney
27.1	Financial Data Schedule

(b) Reports on Form 8-K

December 19, 1996 -- Item 2. Acquisition or Disposition of Assets. On December 19, 1996, STERIS, through its newly-formed and wholly-owned subsidiary Calgon Vestal, Inc, a Delaware corporation (collectively, "STERIS") completed the acquisition, from E.R. Squibb & Sons, Inc.("Squibb"), a Delaware corporation and a wholly-owned subsidiary of Bristol-Myers Squibb Company, of the assets of the infection control and contamination control businesses formerly carried on by Squibb through its subsidiary, Calgon Vestal Laboratories, Inc, and the ConvaTec division of Bristol-Myers Squibb. The assets acquired include two manufacturing facilities in the St. Louis, Missouri area that STERIS intends to use in the continuing conduct of the acquired business.

Item 5. Other Events. On January 30, 1997, STERIS issued a press release announcing its earnings for the three month period and nine month period ended December 31, 1996.

Item 7. Financial Statements, Pro Forma Financial Information, and Exhibits. With respect to the December 19, 1996 acquisition of assets from Squibb, STERIS filed the Asset Purchase Agreement by and between E.R. Squibb & Sons, Inc. and STERIS, dated as of November 26, 1996 and amended as of December 19, 1996.

On January 30, 1997, STERIS issued a press release announcing its earnings for the three month period and nine month period ended December 31, 1996.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the date indicated.

STERIS Corporation
(Registrant)

/s/ MICHAEL A. KERESMAN, III

Michael A. Keresman, III
Chief Financial Officer and
Senior Vice President
(Principal Financial Officer)
June 20, 1997

Pursuant to the requirements of Sections 13 or 15 (d) of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

BILL R. SANFORD, Chairman of the Board of Directors, President, and Chief Executive Officer (Principal Executive Officer); RUSSELL L. CARSON, Director; MICHAEL A. KERESMAN, III, Senior Vice President, and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer); RAYMOND A. LANCASTER, Director; THOMAS J. MAGULSKI, Director; J.B. RICHEY, Director; JERRY E. ROBERTSON, Director; FRANK E. SAMUEL, JR., Director; and LOYAL W. WILSON, Director.

STERIS Corporation
(Registrant)

/s/ MICHAEL A. KERESMAN, III

Michael A. Keresman, III
Attorney-in-Fact
June 20, 1997

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
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10.9	Promissory Note
21.1	Subsidiaries of STERIS Corporation
23.1	Consent of Independent Auditors
24	Powers of Attorney
27.1	Financial Data Schedule

EXHIBIT 10.3

STERIS CORPORATION
1994 Nonemployee Directors
Equity Compensation Plan

1. Purpose. The STERIS Corporation 1994 Nonemployee Directors Equity Compensation Plan is intended to promote the interests of STERIS Corporation and its shareholders by providing for the use of Restricted Shares of the Company to pay part of the annual retainers paid to nonemployee Directors and by granting Stock Options to nonemployee Directors in order to further align the interests of nonemployee Directors more closely with the interests of other shareholders of the Company, to provide a financial incentive that will help attract and retain the most qualified nonemployee Directors for the Company, and to encourage nonemployee Directors to hold proprietary interests in the Company. Capitalized terms used in this Plan have the meanings ascribed to them in Section 20, the last section hereof.

2. Administration. The Plan shall be administered by the Committee. However, the Committee shall have no authority, discretion or power, subject to the terms of the Plan, (a) to determine whether a particular Director shall be granted Restricted Shares or Stock Options under the Plan, the type, size, and terms of Restricted Shares or Stock Options to be granted to any Director, the time or times at which Restricted Shares and Stock Options shall be exercisable or at which restrictions, conditions, and contingencies shall lapse, or the terms and provisions of the Instruments by which Restricted Shares and Stock Options shall be evidenced, or (b) to alter any other restrictions, conditions, and contingencies specified in the Plan, except in the sense of administering the Plan. Subject to the foregoing limitations, the Committee, is authorized to interpret the Plan, to prescribe, amend, and rescind rules and regulations relating to the Plan, and to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company and make all other determinations necessary or advisable for the administration of the Plan. The construction and interpretation by the Committee of any provision of the Plan or any Instrument delivered pursuant to the Plan and any determination by the Committee pursuant to any provision of the Plan or any Instrument shall be final and conclusive. No member or alternate member of the Committee shall be liable for any such action or determination made in good faith. The Committee may act only by a majority of its members. Any determination of the Committee may be made, without a meeting, by a writing or writings signed by all of the members of the Committee. In addition, the Committee may authorize any one or more of their number or any officer of the Company to execute and deliver documents on behalf of the Committee and the Committee may delegate to one or more employees, agents, or officers of the Company, or to one or more third party consultants, accountants, lawyers, or other advisors, such ministerial duties related to the operation of the Plan as it may deem appropriate.

3. Eligibility. No Director who is also employed by the Company shall participate in the Plan. Each Director who is not employed by the Company shall qualify as a Participant and shall be eligible to receive Restricted Stock and grants of Stock Options on the terms and conditions set forth in the Plan. Each Participant shall, if required by the Company, enter into an agreement or other Instrument with the Company, the form of such agreement or Instrument to be determined by the Company and which is consistent with the provisions of the Plan. In the event of any inconsistency between the provisions of the Plan and any such Instrument entered into hereunder, the provisions of the Plan shall govern.

4. Stock Subject to the Plan. The aggregate number of Common Shares of the Company that may be issued and distributed to Participants in connection with Restricted Shares and Stock Options granted under the Plan shall be 100,000 Common Shares which may be authorized and unissued Common Shares, treasury Common Shares, or Common Shares acquired on the open market specifically for distribution under the Plan, as the Board of Directors may from time to time determine. The number of Common Shares remaining available for additional grants of Restricted Stock or Stock Options under the Plan at any particular time shall be reduced, upon the granting thereafter of any Restricted Stock or Stock Option under the Plan, by the full

number of Common Shares of Restricted Stock or by the full number of Common Shares subject to the Stock Option. If any Restricted Stock is forfeited for any reason or if any Stock Option for any reason expires or is terminated, in whole or in part, without the receipt by a Participant of Common Shares, the Restricted Shares so forfeited or the Common Shares subject to that part of the Stock Option that has so expired or terminated, as the case may be, shall again be available for the future grant of Restricted Shares or Stock Options under the Plan.

5. Restricted Shares as Partial Payment of Annual Retainer.

5.1 Automatic Grant of Restricted Shares. The annual retainer payable to each nonemployee Director for services during an Annual Term shall be paid (a), as to the first $7,000 of the annual retainer, by an automatic grant Restricted Shares (valued as provided in Section 5.2) and (b), as to the remainder of the annual retainer, in cash. The first automatic grants of Restricted Shares under the Plan shall be made with respect to the Annual Term commencing with the 1994 Annual Meeting. Subsequent automatic grants of Restricted Shares under the Plan shall be made with respect to each succeeding Annual Term so long as the Plan remains in effect.

5.2 Date of Grant, Number of Shares. The automatic grant of Restricted Shares for any Annual Term shall be made on the last business day of the month during which the Annual Meeting coinciding with the beginning of that Annual Term is held. The total number of Restricted Shares so granted shall be determined by dividing the dollar amount of that portion of the retainer to be paid in Restricted Shares by the average of the per share closing price of Common Shares for the period of 10 consecutive trading days, the fifth of which is the trading day coinciding with the date of the Annual Meeting, and rounding the quotient so determined down to the next whole number of Restricted Shares. No fractional shares shall be issued under the Plan. In lieu of issuing a fractional share to any Participant, the Company shall pay the Participant cash equal to the value of the fractional share not issued.

5.3 Restrictions: Six Month Minimum Holding Period, Periodic Vesting, Forfeiture.

(a) A Participant may not sell, transfer, otherwise dispose of, or pledge or otherwise hypothecate Restricted Shares until (i) at least six months have passed following the grant of those Restricted Shares and (ii) the Participant's rights in the Restricted Shares have vested in accordance with Section 5.3(b).

(b) A Participant's rights in Restricted Shares granted with respect to any Annual Term shall vest in increments as follows, provided the Participant remains as a Director through the periods indicated: 2/7th of those Restricted Shares shall vest on the last day of the sixth Full Calendar Month during the Annual Term and an additional 1/7 of those Restricted Shares shall vest on the last day of each of the seventh through eleventh Full Calendar Months during the Annual Term, except that if any Annual Term includes fewer than eleven Full Calendar Months, any Restricted Shares granted to a Participant who remains as a Director through the last day of that Annual Term that have not previously vested on the foregoing schedule shall vest on that last day.

(c) Except as otherwise provided in Section 7, if a Participant ceases to be a Director before all Restricted Shares granted to the Participant with respect to any Annual Term have vested, any such Restricted Shares that have not vested shall be forfeited.

6. Stock Options.

6.1 Automatic Annual Grant. On the last business day of the month during which any Annual Meeting is held, each Participant shall be granted, as additional consideration for services to be rendered by the Participant during the Annual Term commencing with that Annual Meeting, a Stock Option with respect to 2,500 Common Shares.

6.2 Time of and Conditions on Exercise. A Stock Option granted under the Plan may be exercised not earlier than six months nor later than ten years after the date of grant of the Stock Option. Stock Options may be exercised only during the continuance of a Participant's service as a Director or within three months of termination of such service, except as provided in Section 7. During a Participant's lifetime, only the Participant (or in the case of incapacity of a Participant, the Participant's attorney in fact or legal guardian) may exercise a Stock Option. A Participant may exercise a Stock Option from time to time, in whole or in part, up to the total number of Common Shares with respect to which the Stock Option is then exercisable, except that no fraction of a Common Share may be purchased upon the exercise of any Stock Option.

6.3 Exercise. A Participant electing to exercise a Stock Option shall deliver to the Company (a) the Exercise Price payable in accordance with Section 6.4 and (b) written notice of the election that states the number of whole Common Shares with respect to which the Participant is exercising the Stock Option.

6.4 Payment For Common Shares. Upon exercise of a Stock Option by a Participant, the Exercise Price shall be payable by the Participant, at the election of the Participant, in cash, by delivery by the Participant (with the written notice of election to exercise) of irrevocable instructions to a broker registered under the 1934 Act to promptly deliver to the Company the amount of sale or loan proceeds to pay the Exercise Price, or by such combination of cash and such instructions as the Participant may elect.

6.5 Nontransferability. Stock Options may not be sold, assigned, pledged, hypothecated, transferred, or otherwise disposed of during the lifetime of the Participant, either voluntarily or involuntarily, other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined in Section 414(p)(1)(B) of the Internal Revenue Code of 1986, as amended, that satisfies the requirements of Section 414(p)(1)(A) of the Internal Revenue Code of 1986, as amended. A Participant granted a Stock Option shall have no rights as a shareholder with respect to any shares covered by the Stock Option until the date the share certificate is issued evidencing ownership of such shares.

7. Death of a Participant. Upon the death of a Participant while the Participant is serving as a Director, the Participant's executor or administrator or the person or persons to whom the Participant's rights under a Stock Option are transferred by will or the laws of descent and distribution shall have the right to exercise, from time to time during the period ending one year after the date of the Participant's death, but not later than the relevant Expiration Date, any Stock Options that were outstanding on the date of the Participant's death, if and to the same extent as those Stock Options were exercisable by the Participant on the date of the Participant's death.

8. Adjustment Upon Changes in Common Shares. In the event of any stock dividend, stock split, or share combination of the Common Shares or any reclassification, recapitalization, merger, consolidation, other form of business combination, liquidation, or dissolution involving the Company or any spin-off or other distribution to shareholders of the Company (other than normal cash dividends), (a) the Committee shall make appropriate adjustments to the maximum number of Common Shares that may be issued under the Plan pursuant to Section 4, and (b) the Committee shall adjust the number and kind of shares subject to, the price per share under, and the terms and conditions of each then outstanding Stock Option to the extent necessary and in such manner that the benefits of Participants under all then outstanding Stock Options shall be maintained substantially as before the occurrence of such event. Any adjustment so made by the Committee shall be conclusive and binding for all purposes of the Plan as of such date as the Committee may determine.

9. Purchase for Investment. Each Participant acquiring Common Shares pursuant to a Stock Option may be required by the Company to furnish a representation that he or she is acquiring the Common Shares so acquired as an investment and not with a view to distribution thereof if the Company, in its sole discretion, determines that such representation is required to insure that a resale or other disposition of the Common Shares would not involve a violation of the Securities Act of 1933, as amended, or of applicable blue sky laws. Any investment representation so furnished shall no longer be applicable at any such time such representation is no longer necessary for such purposes.

10. Holding Periods. No Participant shall sell or exercise, as the case may be, any equity security or derivative security, in each case as defined in the 1934 Act or the rules and regulations promulgated thereunder, acquired pursuant to Restricted Shares or Stock Options granted under the Plan, before the earliest date on which the sale or exercise is eligible for the Rule 16b-3 Exemption. If any provision of the Plan (including, without limitation, this Section 10) must be modified or becomes unnecessary to comply with the requirements of Rule 16b-3, the Committee may waive such provision and/or amend the Plan to add to or modify the provisions hereof accordingly.

11. Legal Requirements. No Restricted Shares or Stock Options shall be granted and the Company shall have no obligation to make any payment under the Plan, whether in Common Shares, cash, or any combination thereof, except in compliance with all applicable Federal and state laws and regulations, including, without limitation, the Internal Revenue Code of 1986, as amended, and Federal and state securities laws.

12. Duration and Termination of the Plan. The Plan shall become effective and shall be deemed to have been adopted on the date on which it is approved by the shareholders of the Company and shall remain in effect thereafter until terminated by action of the Board of Directors. No termination of the Plan shall adversely affect the rights of any Participant with respect to any Restricted Shares or Stock Options granted before the effective date of the termination.

13. Amendments. The Board of Directors, or a duly authorized committee thereof, may alter or amend the Plan prior to its termination in any manner the Board of Directors, or such duly authorized committee, may deem to be in the best interests of the Company and its shareholders, except that (a) the Plan may not be so altered or amended more frequently than once every six months, and (b) no amendment may be made without shareholder approval if shareholder approval is required under Rule 16b-3 to qualify for the Rule 16b-3 Exemption, is required by any applicable securities law or tax law, or is required by the rules of the registered national securities association through whose inter-dealer quotation system the Common Shares are quoted.

14. Plan Noncontractual. Nothing herein contained shall be construed as a commitment to or agreement with any Participant serving as a Director to continue such person's service as a Director, and nothing herein contained shall be construed as a commitment or agreement on the part of the Company to continue the annual rate of retainer of any such person for any period. All Participants shall remain subject to termination to the same extent as if the Plan had never been put into effect.

15. Interest of Participants. Any obligation of the Company under the Plan to make any payment at any future date merely constitutes the unsecured promise of the Company to make such payment from its general assets in accordance with the Plan, and no Participant shall have any interest in, or lien or prior claim upon, any property of the Company by reason of that obligation.

16. Claims of Other Persons. The provisions of the Plan shall in no event be construed as giving any person, firm, or corporation any legal or equitable right against the Company, its officers, employees, agents, or directors, except any such rights as are specifically provided for in the Plan or are hereafter created in accordance with the terms and provisions of the Plan.

17. Absence of Liability. No Director, member of the Committee or of any other committee of the Board of Directors, or any officer or employee of the Company shall be liable for any act or action under the Plan, whether of commission or omission, taken by any other member, or by any officer, agent, or employee, or, except in circumstances involving his bad faith or willful misconduct, for anything done or omitted to be done by himself or herself.

18. Severability. The invalidity or unenforceability of any particular provision of the Plan shall not affect any other provision hereof, and the Plan shall be construed in all respects as if such invalid or unenforceable provision were omitted herefrom.

19. Governing Law. The provisions of the Plan shall be governed and construed in accordance with the laws of the State of Ohio.

20. Definitions.

20.1 1934 Act. The term "1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

20.2 Annual Meeting. The term "Annual Meeting" shall mean an Annual Meeting of Shareholders of the Company.

20.3 Annual Term. The term "Annual Term" shall mean the period commencing at the time of election of Directors at one Annual Meeting and continuing until the time of election of Directors at the immediately succeeding Annual Meeting.

20.4 Committee. The term "Committee" shall mean a committee appointed by the Board of Directors of the Company to administer the Plan. The Committee shall be composed of not less than two Directors. The Board of Directors may also appoint one or more directors as alternate members of the Committee. No officer or employee of the Company shall be a member or alternate member of the Committee. The Committee shall at all times be so comprised as to satisfy the disinterested administration standard contained in Rule 16b-3, if required to qualify for the Rule 16b-3 Exemption.

20.5 Common Shares. The term "Common Shares" shall mean common shares of the Company without par value.

20.6 Company. The term "Company" shall mean STERIS Corporation and its successors, including the surviving or resulting corporation of any merger of STERIS Corporation with or into, or any consolidation of STERIS Corporation with, any other corporation or corporations.

20.7 Director. The term "Director" shall mean an individual who has been duly elected and is serving as a member of the Company's Board of Directors.

20.8 Participant. The term "Participant" shall mean any director of the Company who is neither an officer nor employee of the Company.

20.9 Exercise Price. The term "Exercise Price" with respect to any Stock Option shall mean the per share closing price of Common Shares on the date of the grant of that Stock Option.

20.10 Expiration Date. The term "Expiration Date" with respect to any Stock Option shall mean the tenth anniversary of the date of grant of the Stock Option.

20.11 Full Calendar Month. The term "Full Calendar Month" shall mean any month-long period beginning on the first day and ending on the last day of a calendar month.

20.12 Instrument. The term "Instrument" shall mean a written instrument evidencing a grant of Restricted Shares or of a Stock Option in such form and with such provisions as the Committee may prescribe, including, without limitation, an agreement to be executed by the Participant and the Company, a certificate issued by the Company, or a letter executed by the Committee or its designee. Each Instrument shall provide that acceptance of the Instrument by a Participant constitutes agreement to the terms of the grant evidenced thereby.

20.13 Plan. The term "Plan" shall mean this STERIS Corporation 1994 Nonemployee Directors Equity Compensation Plan as from time to time hereafter amended in accordance with Section 15.

20.14 Restricted Shares. The term "Restricted Shares" shall mean Common Shares granted to a Participant in accordance with Section 5.

20.15 Rule 16b-3. The term "Rule 16b-3" shall mean Rule 16b-3 or any successor provision under the 1934 Act.

20.16 Rule 16b-3 Exemption. The term "Rule 16b-3 Exemption" shall mean the exemption from Section 16(b) of the 1934 Act that is available under Rule 16b-3.

20.17 Stock Option. The term "Stock Option," shall mean a grant entitling the holder thereof to purchase a specified number of Common Shares at a specified price during a specified period of time.

EXHIBIT 10.4

STERIS CORPORATION
Management Incentive Compensation Plan
FY 1997

OBJECTIVE

The objective of the STERIS Corporation Management Incentive Compensation Plan (MICP) is to encourage greater initiative, resourcefulness, teamwork, efficiency, and achievement of objectives on the part of key management whose performance and responsibilities directly affect Company profits.

GENERAL PROVISIONS

The MICP for FY 1997 may be reviewed and revised at the Chief Executive Officer's discretion within the guidelines established by the Compensation Committee of the Board of Directors. Any incentive payouts under the terms of this Plan will be limited by any governmental regulations that are in effect at the time of such incentive payouts.

The incentive compensation fund available for disbursement to participants shall be determined by achievement of key parameters of the approved Annual Business Plan.

Management Incentive Compensation will be calculated after the close of each quarter and will be cumulative and retroactive. That is, deficiencies in year-to-date (YTD) performance can be made up by overachievement in subsequent quarters during the fiscal year.

A portion of the earned Management Incentive Compensation will be paid on a quarterly basis with another portion held in an escrow account to be paid on an annual basis. An accrual funding schedule will be developed and maintained by the Finance Department to reserve adequate funds for the payment of earned Management Incentive Compensation.

KEY PARAMETERS

MICP compensation will be determined through achievement of a combination of Annual Business Plan (ABP) objectives and Quarterly Individual Objectives (IO). ABP parameters are the Net Revenue, Operating Income, and Net Income objectives. IO parameters are approved quarterly personal objectives that are brief, specific, measurable, and consistent with overall Company objectives.

ELIGIBILITY

The management level classifications of individuals who may be eligible to participate in the MICP are the following:

Chief Executive Officer
Sr. Vice President
Division President/Unit Head
Vice President
Director
Manager
Supervisor/Professional

Incumbents holding a key management position with one of the above titles are immediately eligible for participation. New hires for an above titled position will begin participation in the MICP during the first full fiscal quarter of employment unless otherwise specified in the employment offer. An individual promoted to a higher management level during a quarter will have MICP compensation for that quarter at the management level held by the individual for the majority of the quarter.

Termination of employment of a participant shall result in his or her forfeiture of all unpaid incentive earnings.

MICP FY'97 PARTICIPANT BONUS SCHEDULE

The bonus opportunity for each management level upon 100% achievement of the FY'97 Net Revenue, Operating Income, and Net Income objectives is as follows:

Management Level	Quarterly Funding
Chief Executive Officer	100% of Base Income
Senior Vice President	75% of Base Income
Division President/Unit Head	75% of Base Income
Vice President	50% of Base Income
Director	35% of Base Income
Manager	20% of Base Income
Supervisor/Professional	$625

BONUS POOL FUNDING

The funding of the bonus pool will be determined quarterly on a YTD basis. Any funding will be dependent upon the Company's YTD achievement of net revenue and operating income in relationship to the Annual Business Plan parameters. The following weighting factor will apply to the qualification parameters:

Net Revenue	75%
Operating Income	25%

Funding will occur on a sliding scale basis from 80% to 120% of the Blended Achievement Percentage. The following is a calculation example based upon YTD achievement of 104% of net revenue and 110% of operating income parameters of the ABP.

```
104 x 3 = 312
110 x 1 = 110
          ----
          422 / 4 = 105.5% - Blended Rate
```

During FY'97, funding will be at a minimum 80% level.

INDIVIDUAL OBJECTIVES (IO)

Quantifiable management objectives are developed and approved quarterly for each MICP participant. An individual's performance is evaluated at the end of each quarter and a percentage Individual Objectives (IO) Achievement calculated. The Individual Objectives are consistent with the quarterly and longer term objectives for the Company and the individual business units, profit centers, corporate services groups, or departments.

BONUS CALCULATION

Individual participant bonuses and bonus payouts will be determined as defined in this bonus calculation section.

1. The bonus qualifier will be based on the Blended Achievement Percentage of the Company's Net Revenue and Operating Income objectives.

2. The performance in achieving the Net Revenue and Operating Income bonus qualification parameters will be determined on a YTD basis with a weighting of 3X for Net Revenue and 1X for Operating Income.

3. Individual participant payout targets will be taken from the then current Participant and Target Bonus Schedule.

4. The YTD Blended Achievement Percentage will be applied to the individual Target Bonus to determine the quarterly MICP eligible bonus amount.

5. If bonus eligibility on a YTD quarterly basis has occurred, the individual MICP eligible bonus amount is multiplied by the percentage achievement of the quarterly Individual Objectives that have been approved at the beginning of each quarter by the participant's direct supervisor and the senior executive/business head of the individual's business unit.

Bonus calculation example:

```
Vice President
         $80,000 Base Salary
         50% Target Bonus
Corp Achievement
         104% Net Revenue
         110% Op Income

         104 x 3  =  312
         110 x 1  =  110
                     ---
                     422 / 4 = 105.5% - Blended Rate

Individual Objectives (IO) Achievement
         96%

Quarterly Target Bonus
         $80,000 x 50% / 4 = $10,000

Sliding Scale Blended Target
         $10,000 x 105.5% = $10,550

Earned Bonus
         $10,550 x 96% (IO) = $10,128
```

BONUS PAYMENT

Seventy-five percent (75%) of the eligible individual quarterly bonus will be paid following the end of each quarter. Twenty-five percent (25%) of the eligible individual quarterly bonus will be held in a bonus escrow account and will be paid following the end of the fiscal year only if the CORPORATION meets or exceeds its Net Income objective for the full fiscal year. Should the Corporation fail to meet or exceed its Net Income objective for the full fiscal year, all funds in the bonus escrow account will be forfeited.

EFFECTIVE DATE

The STERIS Management Incentive Compensation Plan is effective April 1, 1996, through March 31, 1997.

EXHIBIT 10.6 Form of grant of Incentive Stock Option under AMSCO International, Inc. Stock Option Plan.

AMSCO INTERNATIONAL, INC.

INCENTIVE STOCK OPTION AGREEMENT

Date: _________

Employee/Optionee: _________
Number of shares of
Common Stock subject
to this Agreement: _________

Pursuant to the AMSCO International, Inc. Stock Option Plan (the "Plan"), the Board of Directors of Amsco International, Inc. (the "Company") has granted to you on this date an option (the "Option") to purchase the number of shares of the Company's Common Stock, $.01 par value ("Common Stock"), set forth above. Such number of shares (as such may be adjusted as described in Section 12 below) is herein referred to as the "Option Shares." This Option shall constitute and be treated as an "incentive stock option" as defined under Section 422A of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes. The terms and conditions of this Option are set out below.

1. Date of Grant. This Option is granted to you on _________.

2. Termination of Option. Your right to exercise this Option (and to purchase the Option Shares) shall expire and terminate in all events on the earlier of (i)_________, or (ii) the date provided in Section 8 below in the event you cease to be employed on a full-time basis by the Company or any Subsidiary of the Company (as defined in the Plan).

3. Option Price. The purchase price to be paid upon the exercise of this Option will be $____ per share, the fair market value of a share of Common Stock (as determined by the Board of Directors) on _________, the date of grant of this Option.

4. Vesting Provisions -- Entitlement to Exercise the Option and Purchase Option Shares. (a) You may not exercise this Option at any time prior to _________. Commencing on _________ and on each of three succeeding anniversaries of that date, you shall become entitled to exercise this Option with respect to 25% of the Option Shares. Therefore, you shall become entitled to exercise this Option with respect to 25% of the Option Shares on each of _________, _________,_________ and _________.

(b) Notwithstanding the foregoing provisions of Section 4(a) hereof, upon the occurrence of a "Section 4(b) Event" (as defined below), at any time prior to _________, then you shall thereupon become entitled to exercise this Option with respect to all or any portion of the Option Shares which as of the date of the occurrence of such Section 4(b) Event, you had not yet become entitled to purchase under the provisions of Section 4(a) hereof. For purposes of this Agreement, a "Section 4(b) Event" shall mean the earliest to occur of: (i) a sale of more than 50% of the Company's outstanding Common Stock to an unrelated, non-affiliated third party purchaser, other than pursuant to an underwritten public offering of the Company's Common Stock registered under the Securities Act of 1933; (ii) a sale of substantially all of the assets of the Company (as determined by the Board of Directors) to an unrelated, non-affiliated third party purchaser, or (iii) the right of co-sale provided for in Section 8(a) of the Subscription Agreement dated as of August 7, 1987 among the Company and other parties named therein becoming effected and, as a result thereof, the Management Subscribers (as defined therein) becoming entitled to participate in a sale of Common Stock as provided therein.

5. Additional Provisions Relating to Exercise.

(a) Once you become entitled to exercise this option (and purchase Option Shares) as provided in Section 4 hereof, such right will continue until the date on which this Option expires and terminates pursuant to Section 2 hereof.

(b) The Board of Directors may at any time accelerate the time at which this Option may be exercised by you with respect to any Option Shares.

6. Exercise of Option: Payment of Option Price:

(a) To exercise the Option, you must deliver a completed copy of the attached Option Exercise Form to the address indicated on the Form, specifying the number of Option Shares being purchased as a result of such exercise, together with payment of the full option price, subject to the provisions of Section 6(b) below, for the Option Shares being purchased.

(b) In the event that at any time after you become entitled to exercise this Option and purchase Option Shares as provided in Section 4 hereof, you determine to exercise this Option and purchase any Option Shares, then the Company shall assist you in obtaining financing for such purchase from an unaffiliated third-party lender.

7. Transferability of Option. This Option may not be transferred by you (other than by will or the laws of descent and distribution) and may be exercised during your lifetime only by you.

8 Termination of Employment.

(a) In the event that you cease to be employed by the Company or any Subsidiary on a full-time basis for any reason other than because of your death or "disability" (within the meaning of Section 22(e) (3) of the Code), this Option may only be exercised within one month after you cease to be so employed, and only to the same extent that you were entitled to exercise this Option on the date you ceased to be so employed and had not previously done so.

(b) In the event that you cease to be employed by the Company or any Subsidiary of a full-time basis by reason of "disability" (as defined in paragraph (a) above), this Option may only be exercised within one year after the date you cease to be so employed, and only to the same extent that you were entitled to exercise this Option on the date you ceased to be so employed by reason of such disability and had not previously done so.

(c) In the event that you die while employed on a full-time basis by the Company or any Subsidiary (or within a period of one month after ceasing to be employed by the Company or any Subsidiary on a full-time basis for any reason other than "disability" (as defined in paragraph (a) above) or within a period of one year after ceasing to be employed by the Company on a full-time basis by reason of such "disability"), this Option may only be exercised during such one-year period by the executor or administrator of your estate or by any person who shall have acquired the Option through bequest or inheritance, but only to the same extent that you were entitled to exercise this Option immediately prior to the time of your death and you had not previously done so.

(d) Notwithstanding any provision contained in this Section 8 to the contrary, in no event may this Option be exercised to any extent by anyone after _________.

9. Withholding Taxes. If the Company is required to withhold federal, state or local taxes in respect of any compensation income realized by you as a result of any "disqualifying disposition" of any Option Shares acquired upon exercise of the option granted hereunder, you hereby agree to provide the Company with cash funds equal to the total federal, state and local taxes required to be so withheld, or make other arrangement satisfactory to the Company regarding such payment. It is understood that all matters with respect to the total amount of

taxes to be withheld in respect of any such compensation income shall be determined by the Board of Directors.

10. Representations.

(a) You represent and warrant to the Company that, upon exercise of the Option, you will be acquiring the Option Shares for your own account for the purpose of investment and not with a view to or for sale in connection with any distribution thereof, and you understand that (i) neither the Option nor the Option Shares have been registered with the Securities Exchange Commission by reason of their issuance in a transaction exempt from the registration requirements and (ii) the Option Shares must be held indefinitely by you unless a subsequent disposition thereof is registered under the Securities Act of 1933 or is exempt from such registration. The stock certificates for any Option Shares issued to you will bear the following legal legend:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND THE RIGHTS OF THE HOLDER OF THE SHARES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO AND LIMITED BY THE TERMS AND CONDITIONS OF A CERTAIN AGREEMENT DATED _________, BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF SUCH SHARES. A COPY OF SAID AGREEMENT, TO WHICH REFERENCE IS HEREBY MADE, IS ON FILE AND MAY BE EXAMINED AT THE OFFICES OF AMSCO INTERNATIONAL, INC."

(b) You further represent and warrant that you understand the federal, state and local income tax consequences of the granting of this Option to you, the exercise of this Option and purchase of Option Shares, and the subsequent sale or other disposition of any Option Shares.

11. Notice of Sale. You agree to give the Company prompt notice of any sale or other disposition of any Option Shares that occurs (i) within two years from the date of the granting of this Option to you, or (ii) within one year after the transfer of such Shares to you upon the exercise of the Option.

12. Adjustments. If the total outstanding shares of the Common Stock of the Company shall be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation through reorganization, merger or consolidation, recapitalization, stock split, split-up, combination or exchange of shares or declaration of any dividends payable in stock, then the Board of Directors shall appropriately adjust the number of Option Shares (and price per share) subject to the unexercised portion of this Option (to the nearest possible full share) subject in all cases to the limitations of Section 425 of the Code.

13. Continuation of Employment. Neither the Plan nor the Option shall confer upon you any right to continue in the employ of the Company or any Subsidiary to terminate your employment at any time.

14. Miscellaneous.

(a) This Option Agreement is qualified in its entirety by reference to the provisions of the Plan applicable to "incentive stock options" as defined in Section 422A of the Code, which are hereby incorporated herein by reference.

(b) Any action or determination of the Company or the Board of Directors provided for or required under the Plan shall be taken or made in the sole discretion of the Company or the Board of Directors or taken or made in the sole discretion of the Committee appointed by the Board of Directors to administer the Plan.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Please acknowledge receipt of this Option Agreement by signing the enclosed copy of this Option Agreement in the space provided below and returning it promptly to the Secretary of the Company.

AMSCO INTERNATIONAL, INC.

By ___________________________

Accepted and Agreed to
as of _________:

- --------------------------
Employee/Optionee

AMSCO INTERNATIONAL, INC.

STOCK OPTION PLAN

OPTION EXERCISE FORM

I,__________________, a full-time employee of AMSCO International, Inc. or a Subsidiary thereof (as defined in the AMSCO International, Inc. Stock Option Plan), do hereby exercise the right to purchase _________ shares of Common Stock, $.01 par value, of AMSCO International, Inc. pursuant to the Option granted to me on _________ under the AMSCO International, Inc. Stock Option Plan.

Date:
--------------- --------------------------------------
Signature

Send a completed copy of this Option Exercise Form to:

Dennis P. Patton, Treasurer
AMSCO International, Inc.
5960 Heisley Road
Mentor, Ohio 44060-1834

EXHIBIT 10.7 Form of grant of Non-Qualified Stock Option under the AMSCO International, Inc. Stock Option Plan.

AMSCO INTERNATIONAL, INC.

NON-QUALIFIED STOCK OPTION AGREEMENT

Optionee:

Number of shares of Common Stock subject to this Agreement:

Pursuant to the AMSCO International, Inc. Stock Option Plan (the "Plan"), the Board of Directors of AMSCO International, Inc. (the "Company") has granted to you on this date an option (the "Option") to purchase the number of shares of the Company's Common Stock, $.01 par value ("Common Stock"), set forth above. Such number of shares (as such may be adjusted as described in Section 11 below) is herein referred to as the "Option Shares." This Option shall constitute and be treated as a "non-qualified stock option" as described in the Treasury Regulation, Section 1.83-7 and will not be treated as an "incentive stock option" as defined under Section 422A of the Internal Revenue Code of 1986 as amended (the "Code") for federal income tax purposes. The terms and conditions of this Option are set out below.

1. Date of Grant. This Option is granted to you on _________.

2. Termination of Option. Your right to exercise this Option (and to purchase the Option Shares) shall expire and terminate in all events on _________.

3. Option Price. The purchase price to be paid upon the exercise of this Option will be $ _________ per share, the fair market value of a share of Common Stock (as determined by the Board of Directors) on _________ the date of grant of this Option.

4. Entitlement to Exercise the Option and Purchase Option Shares. You may exercise this Option at any time until the date on which this Option expires or terminates pursuant to Section 2 hereof.

5. Exercise of Option: Payment of Option Price. To exercise the Option, you must deliver a completed copy of the attached Option Exercise Form to the address indicated on the Form, specifying the number of Option Shares being purchased as a result of such exercise, together with payment of the full option price.

6. Transferability of Option. This Option may not be transferred by you (other than by will or the laws of descent and distribution) and may be exercised during your lifetime only by you.

7. Withholding Taxes. If the Company is required to withhold federal, state or local taxes in respect of any compensation income realized by you in respect of the option granted hereunder or in respect of any Option Shares acquired upon exercise of the option granted hereunder, you hereby agree to provide the Company with cash funds equal to the total federal, state and local taxes required to be so withheld, or make other arrangement satisfactory to the Company regarding such payment. It is understood that all matters with respect to the total amount of taxes to be withheld in respect of any such compensation income shall be determined by the Board of Directors.

8. Representations.

(a) You represent and warrant to the Company that, upon exercise of the Option, you will be acquiring the Option Shares for your own account for the purpose of investment and not with a view to or for sale in connection with any distribution thereof, and you understand that (i) neither the Option nor the Option Shares have been registered with the Securities Exchange Commission by reason of their issuance in a transaction exempt from the registration requirements and (ii) the Option Shares must be held indefinitely by you unless a subsequent disposition thereof is registered under the Securities Act of 1933 or is exempt from such registration. The stock certificates for any Option Shares issued to you will bear the following legend:

> "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND THE RIGHTS OF THE HOLDER OF THE SHARES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO AND LIMITED BY THE TERMS AND CONDITIONS OF A CERTAIN AGREEMENT DATED _________, BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF SUCH SHARES. A COPY OF SAID AGREEMENT, TO WHICH REFERENCE IS HEREBY MADE, IS ON FILE AND MAY BE EXAMINED AT THE OFFICES OF AMSCO INTERNATIONAL, INC."

(b) You further represent and warrant that you understand the federal, state and local income tax consequences of the granting of this Option to you, the exercise of this Option and purchase of Option Shares, and the subsequent sale or other disposition of any Option Shares.

9. Notice of Sale. You agree to give the Company prompt notice of any sale or other disposition of any Option Shares that occurs (i) within two years from the date of the granting of this Option to you, or (ii) within one year after the transfer of such Shares to you upon the exercise of the Option.

10. Adjustments. If the total outstanding shares of Common Stock of the Company shall be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation through reorganization, merger or consolidation, recapitalization, stock split, split-up, combination or exchange of shares or declaration of any dividends payable in stock, then the Board of Directors shall appropriately adjust the number of Option Shares (and price per share) subject to the unexercised portion of this Option (to the nearest possible full share).

11. Continuation of Directorship. Neither the Plan nor the Option shall confer upon you any right to continue as a Director of the Company or any Subsidiary.

12. Miscellaneous.

(a) This Option Agreement is qualified in its entirety by reference to the provisions of the Plan applicable to "non-qualified stock options" as defined in Treasury Regulation, Section 1.83-7, which are hereby incorporated herein by reference.

(b) Any action or determination of the Company or the Board of Directors provided for or required under the Plan shall be taken or made in the sole discretion of the Company or the Board of Directors or taken or made in the sole discretion of the Committee appointed by the Board of Directors to administer the Plan.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity and enforceability of the remaining provision hereof shall not in any way be affected or impaired thereby.

Please acknowledge receipt of this Option Agreement by signing the enclosed copy of this Option Agreement in the space provided below and returning it promptly to the Secretary of the Company.

AMSCO INTERNATIONAL, INC.

By

Accepted and Agreed to
as of _________:

- ------------------------------
Optionee

AMSCO INTERNATIONAL, INC.

STOCK OPTION PLAN

OPTION EXERCISE FORM

I, __________________ do hereby exercise the right to purchase _________ shares of Common Stock, $.01 par value, of AMSCO International, Inc. pursuant to the Option granted to me on _________ under the AMSCO International, Inc. Stock Option Plan.

Date:
-----------------   --
Signature

Send a completed copy of this Option Exercise Form to:

Dennis P. Patton, Treasurer
AMSCO International, Inc.
5960 Heisley Road
Mentor, Ohio 44060-1834

EXHIBIT 10.9

PROMISSORY NOTE

Original Principal Amount $1,693,297.69

Mentor, Ohio February 28, 1997

FOR VALUE RECEIVED, BILL R. SANFORD ("Maker") promises to pay to the order of STERIS Corporation ("Holder") the principal amount of One Million Six Hundred Ninety-Three Thousand Two Hundred Ninety-Seven Dollars and Sixty-Nine Cents ($1,693,297.69) together with interest thereon as hereinafter provided.

1. Principal. The principal amount hereof shall be due and payable in full on February 28, 2002 (the "Maturity Date").

2. Interest. The principal amount outstanding under this Promissory Note from time to time shall bear interest from and including the date hereof at the rate of 6.38% per annum, compounded annually on each anniversary of February 28, 1997, until paid in full. Interest on this Promissory Note shall be computed on the basis of a 365 day year for the actual number of days elapsed.

3. Payment in Full on Maturity Date. Maker shall pay the full amount then due under this Promissory Note, both principal and interest (including compounded interest) in a single payment on the Maturity Date. Payment of the principal of and interest on this Promissory Note shall be made in lawful money of the United States of America to Holder at 5960 Heisley Road, Mentor, Ohio 44060 or to such other payee or at such other address as may be designated to Maker by Holder from time to time.

4. Mandatory Prepayment on Sale of Shares. Maker has used the proceeds of the loan from STERIS Corporation that is evidenced by this Promissory Note to fund the exercise of certain options for 186,500 STERIS Corporation Common Shares (the "Shares"). Upon any sale of any portion of the Shares, Maker shall promptly pay to Holder such amount, if any, as is necessary so that, immediately after that payment, the portion of the original principal on this Promissory Note that has been repaid, and as to which all accrued interest has been paid, is at least directly proportionate to the portion of the 186,500 Shares that have been sold by Maker through the date of that payment. For example, if, on a particular date Maker, having not previously sold any of the Shares and having not previously made any payment on this Promissory Note, sells 46,625 Shares (1/4 of the original number), Maker shall promptly pay to Holder at least $423,324.42 of principal (1/4 of the original principal), together with all accrued interest on that amount of principal. If the facts were the same as in the example just given except that Maker had previously repaid $100,000 of principal and accrued interest, Maker would be required to promptly pay to Holder at least $323,324.42 of principal (1/4 of the original principal net of the earlier $100,000 payment), together with all accrued interest on that amount of principal.

5. Waiver of Demand, etc. Maker waives demand, presentment, notice of dishonor, protest, notice of protest, and diligence in collection and bringing suit and agrees that Holder may extend the time for payment, accept partial payment, or take security therefor without discharging or releasing Maker.

6. Governing Law. This Promissory Note has been executed in Mentor, Ohio. The construction, validity, and enforceability of this Promissory Note shall be governed by the laws of the State of Ohio applicable to promissory notes made and to be satisfied entirely within the State of Ohio.

7. Costs of Enforcement. Maker agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Holder in the collection of this Promissory Note and in the

enforcement of the rights under this Promissory Note.

8. Waiver. Maker, to the extent not prohibited by law, waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between Holder and Maker arising out of, in connection with, related to, or incidental to the relationship established between Maker and Holder in connection with this Note, or any other agreement, instrument, or document executed or delivered in connection therewith or the transactions related thereto. This waiver shall not in any way affect, waive, limit, amend, or modify the ability of any Holder hereof to pursue remedies pursuant to any confession of judgment or cognovit provision contained in this note.

9. Prepayment. Maker may prepay all or any portion of the principal sum hereof at any time without penalty. All such prepayments shall be applied to the payment of the principal due hereon, and shall be accompanied by the payment of accrued interest on the amount of the prepayment to the date thereof.

10. Overdue Payments. Any payment of principal and interest under this Promissory Note must be received by Holder by 5:00 p.m. E.S.T. on a business day in order to be credited on such date. If Maker fails to make any payment of principal, interest, or other amount becoming due pursuant to the provisions of this Promissory Note within ten business days of the date due and payable, Maker also shall pay to Holder a late charge equal to five percent of the amount of such payment. Such ten day period shall not be construed in any way to extend the due date of any such or subsequent payment.

11. Warrant of Attorney. Maker hereby irrevocably authorizes any attorney-at-law to appear for Maker in an action on this Promissory Note at any time after the same becomes due, whether by acceleration or otherwise, in any court of record in the State of Ohio or elsewhere and to waive the issuing of service of process against Maker, and to confess judgment in favor of the Holder against Maker for all amounts that may be due, together with costs of suit, and thereupon to waive all errors and all rights of appeal and stays of execution in respect of the judgment rendered. Maker hereby expressly (a) waives any conflict of interest in an attorney retained by the Holder confessing judgment against Maker upon this Promissory Note, and (b) consents to any attorney retained by the Holder receiving a legal fee or other value for legal services rendered for confessing judgment against Maker upon this Promissory Note. The foregoing warrant of attorney shall survive any judgment, and if any judgment is vacated for any reason, the Holder may thereafter use the foregoing warrant of attorney to obtain an additional judgment or judgments against Maker. A copy of this Promissory Note, certified by the Holder, may be filed in any proceeding in place of filing the original as a warrant of attorney.

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"WARNING--BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE."

- --

/s/ Bill R. Sanford

Bill R. Sanford

EXHIBIT 21.1 SUBSIDIARIES OF STERIS CORPORATION

STERIS has no parent company. As of March 31, 1997, certain of its direct and indirect subsidiaries were as follows:

Subsidiary	Location
STERIS Foreign Sales Corporation	US Virgin Islands
Medical & Environmental Designs, Inc. (MED Inc.)	Missouri
STERIS GmbH	Germany
STERIS S.A.	Belgium
STERIS Limited	UK
STERIS S.r.l.	Italy
Ecomed, Inc.	Indiana
STERIS Korea Limited	Korea
SURGICOT, Inc.	Delaware
Calgon Vestal, Inc.	Delaware
AMSCO International, Inc.	Delaware
American Sterilizer Company	Pennsylvania
AMSCO Foreign Sales Corporation	US Virgin Islands
AMSCO International Sales Corporation	Delaware
HAS, Inc.	Delaware
STERIS Canada Inc.	Canada
Hoplab Inc.	Canada
AMSCO (Barbados), Inc.	Barbados
AMSCO Europe, Inc.	Delaware
AMSCO Holdings B.V.	Netherlands
AMSCO Finn-Aqua Oy	Finland
AMSCO Finn-Aqua GmbH	Germany
AMSCO S.A./N.V.	Belgium
AMSCO Finn-Aqua, S.A. (Spain)	Spain
AMSCO Finn-Aqua S.A. (France)	France
AMSCO (U.K.) Ltd.	United Kingdom
AMSCO Europe Ltd. (U.K.)	United Kingdom
AMSCO Asia Pacific, Inc.	Delaware
AMSCO Japan, K.K.	Japan
Finn Aqua Japan K.K.	Japan
AMSCO Hong Kong Limited	Hong Kong
AMSCO Singapore Pte. Ltd.	Singapore
American Sterilizer (Thailand) Co. Ltd.	Thailand
AMSCO Latin America, Inc.	Delaware
AMSCO Brazil Comercios e Servicos Ltda.	Brazil
AMSCO de Costa Rica, S.A.	Costa Rica

EXHIBIT 23.1 CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements and related Prospectuses of our report dated April 21, 1997, with respect to the consolidated financial statements and schedule of STERIS Corporation and Subsidiaries included in this Annual Report (Form 10-K) for the year ended March 31, 1997:

Registration Number	Description	Filing Date
333-06529	Form S-3 Registration Statement -- STERIS Corporation	June 21, 1996
333-01610	Post-effective Amendment to Form S-4 on Form S-8 -- STERIS Corporation	May 14, 1996
33-91444	Form S-8 Registration Statement -- STERIS Corporation 1994 Equity Compensation Plan	April 21, 1995
33-91445	Form S-8 Registration Statement -- STERIS Corporation 1994 Nonemployee Directors Equity Compensation Plan	April 21, 1995
33-55976	Form S-8 Registration Statement -- STERIS Corporation 401(k)Plan	December 21, 1992
33-55258	Form S-8 Registration Statement -- STERIS Corporation Amended and Restated Non-Qualified Stock Option Plan	December 2, 1992

Ernst & Young LLP

Cleveland, Ohio
June 13, 1997

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of June 2, 1997.

/s/ Bill R. Sanford

Bill R. Sanford,
Chairman of the Board,
President, Chief Executive Officer

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 27, 1997.

/s/ Russell L. Carson

Russell L. Carson
Director

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 30, 1997.

/s/ Michael A. Keresman, III

Michael A. Keresman, III,
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 29, 1997.

/s/ Raymond A. Lancaster

Raymond A. Lancaster
Director

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 27, 1997.

/s/ Thomas J. Magulski

Thomas J. Magulski
Director

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 26, 1997.

/s/ J. B. Richey

J. B. Richey
Director

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 28, 1997.

/s/ Jerry E. Robertson, Ph.D.

Jerry E. Robertson, Ph.D.
Director

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 27, 1997.

/s/ Frank E. Samuel, Jr.

Frank E. Samuel, Jr.
Director

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, an officer or director, or both an officer and director, of STERIS Corporation, an Ohio corporation, which proposes to file with the Securities and Exchange Commission, Washington, D. C. under the provisions of the Securities and Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended March 31, 1997 (the "Annual Report"), hereby constitutes Bill R. Sanford, Michael A. Keresman, III, and Roy L. Turnell, and each of them, as attorney for the undersigned, with full power of substitution and resubstitution, for and in the name, place, and stead of the undersigned, to sign and file the Annual Report, and exhibits thereto, and any and all amendments thereto, with full power and authority to do and perform any and all acts whatsoever requisite and necessary to be done in the premises, hereby ratifying and approving the acts of such attorney or any such substitute.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of May 27, 1997.

/s/ Loyal W. Wilson

Loyal W. Wilson
Director

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12-MOS
MAR-31-1997
MAR-31-1997
20,576
2,977
164,163
0
78,762
300,042
177,184
(74,332)
539,455
158,688
0
231,278
0
0
63,438
539,455
587,852
587,852
356,007
356,007
0
0
2,919
(4,862)
25,744
(30,606)
0
0
0
(30,606)
(0.91)
(0.91)