

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2008	2007	2008	2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	\$ 323,127	\$ 295,002	\$ 634,692	\$ 575,946
Cost of revenues	190,764	174,794	371,828	340,138
Gross profit	132,363	120,208	262,864	235,808
Operating expenses:				
Selling, general, and administrative	77,290	84,531	164,638	167,914
Research and development	8,068	8,531	16,347	17,790
Restructuring expense	37	698	(129)	2,089
Total operating expenses	85,395	93,760	180,856	187,793
Income from operations	46,968	26,448	82,008	48,015
Non-operating expense, net	1,978	864	3,363	1,637
Income tax expense	16,196	9,566	24,351	17,157
Net income	\$ 28,794	\$ 16,018	\$ 54,294	\$ 29,221
Earnings per common share (EPS) data:				
Basic	\$ 0.49	\$ 0.25	\$ 0.92	\$ 0.45
Diluted	\$ 0.48	\$ 0.25	\$ 0.90	\$ 0.45
Cash dividends declared per common share outstanding	\$ 0.08	\$ 0.06	\$ 0.14	\$ 0.11
Weighted average number of common shares outstanding used in EPS computation:				
Basic number of common shares outstanding	59,312	64,207	59,003	64,612
Diluted number of common shares outstanding	60,376	65,047	60,012	65,478

STERIS Corporation
Consolidated Condensed Balance Sheets
(In thousands)

	September 30, 2008	March 31, 2008
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 160,219	\$ 51,868
Accounts receivable, net	210,997	249,814
Inventories, net	161,298	147,210
Other current assets	46,124	64,484
Total Current Assets	578,638	513,376
Property, plant, and equipment, net	371,327	384,642
Goodwill and intangible assets, net	321,120	337,980
Other assets	3,564	3,294
Total Assets	\$ 1,274,649	\$ 1,239,292
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 65,684	\$ 75,532
Other current liabilities	119,905	154,827
Total Current Liabilities	185,589	230,359
Long-term debt	250,000	179,280
Other liabilities	94,310	123,501
Shareholders' equity	744,750	706,152
Total Liabilities and Shareholders' Equity	\$ 1,274,649	\$ 1,239,292

STERIS Corporation
Segment Data
(In thousands)

	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment Revenues:				
Healthcare	\$ 227,836	\$ 206,684	\$ 451,901	\$ 402,375
Life Sciences	57,151	52,323	105,190	99,025
STERIS Isomedix Services	36,971	34,793	73,834	70,265
Total Reportable Segments	321,958	293,800	630,925	571,665
Corporate and Other	1,169	1,202	3,767	4,281
Total Segment Revenues	\$ 323,127	\$ 295,002	\$ 634,692	\$ 575,946
Segment Operating Income (Loss):				
Healthcare	\$ 32,698	\$ 21,598	\$ 61,928	\$ 39,530
Life Sciences	6,228	3,369	7,275	3,638
STERIS Isomedix Services	10,211	7,081	18,398	14,802
Total Reportable Segments	49,137	32,048	87,601	57,970
Corporate and Other	(2,169)	(5,600)	(5,593)	(9,955)
Total Segment Operating Income	\$ 46,968	\$ 26,448	\$ 82,008	\$ 48,015

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

	Six Months Ended	
	September 30,	
	2008	2007
	(Unaudited)	(Unaudited)
Operating Activities:		
Net income	\$ 54,294	\$ 29,221
Non-cash items	34,607	33,791
Working capital adjustments	(20,210)	(9,844)
Net cash provided by operating activities	68,691	53,168
Investing Activities:		
Purchases of property, plant, equipment, and intangibles, net	(20,872)	(21,591)
Proceeds from sale of property, plant, equipment and intangibles	9,506	31
Net cash used in investing activities	(11,366)	(21,560)
Financing Activities:		
Proceeds from the issuance of long-term obligations	150,000	-
(Payments) proceeds under credit facilities, net	(79,180)	24,090
Deferred financing fees and debt issuance costs	(476)	(443)
Repurchases of common shares	(50,210)	(54,476)
Cash dividends paid to common shareholders	(8,275)	(7,112)
Stock options and other equity transactions, net	41,688	13,008
Net cash provided by (used in) financing activities	53,547	(24,933)
Effect of exchange rate changes on cash and cash equivalents	(2,521)	2,592
Increase in cash and cash equivalents	108,351	9,267
Cash and cash equivalents at beginning of period	51,868	52,296
Cash and cash equivalents at end of period	\$ 160,219	\$ 61,563

	Six Months Ended	
	September 30,	
	2008	2007
	(Unaudited)	(Unaudited)
Calculation of Free Cash Flow from continuing operations:		
Cash flows from operating activities	\$ 68,691	\$ 53,168
Purchases of property, plant, equipment, and intangibles, net	(20,872)	(21,591)
Proceeds from the sale of property, plant, equipment, and intangibles	9,506	31
Free Cash Flow from Continuing Operations	\$ 57,325	\$ 31,608

Free cash flow is defined by the Company as cash flows from operating activities less purchases of property, plant, equipment and intangibles, net (capital expenditures) plus proceeds from the sale of property, plant, equipment and intangibles. Free cash flow is a non-GAAP figure under Securities and Exchange Commission rules. The Company uses free cash flow as a measure to gauge its ability to fund future growth opportunities, repurchase common shares, and pay cash dividends. STERIS's calculation of free cash flow may vary from other companies.