

STERIS Acquisition of Synergy Health



**Creating a Global Leader in
Infection Prevention
and Sterilization**

October 13, 2014

Forward Looking Statements

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This document may contain statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to Synergy or STERIS or its industry, products or activities that are intended to qualify for the protections afforded "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 and other laws and regulations. Forward-looking statements speak only as to the date of this document and may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," "outlook," "impact," "potential," "confidence," "improve," "optimistic," "deliver," "comfortable," "trend", and "seeks," or the negative of such terms or other variations on such terms or comparable terminology. Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or litigation, competitive factors, technology advances, actions of regulatory agencies, and changes in laws, government regulations, labeling or product approvals or the application or interpretation thereof. Other risk factors are described herein and in STERIS and Synergy's other securities filings, including Item 1A of STERIS's Annual Report on Form 10-K for the year ended March 31, 2014 dated May 29, 2014 and in Synergy's annual report and accounts for the year ended 30 March 2014 (section headed "principal risks and uncertainties"). Many of these important factors are outside of STERIS's or Synergy's control. No assurances can be provided as to any result or the timing of any outcome regarding matters described herein or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results. References to products and the consent decree are summaries only and should not be considered the specific terms of the decree or product clearance or literature. Unless legally required, STERIS and Synergy do not undertake to update or revise any forward-looking statements even if events make clear that any projected results, express or implied, will not be realized. Other potential risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, (a) the receipt of approval of both STERIS's shareholders and Synergy's shareholders, (b) the regulatory approvals required for the transaction not being obtained on the terms expected or on the anticipated schedule, (c) the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction, (d) the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in connection with the transaction within the expected time-frames or at all and to successfully integrate Synergy's operations into those of STERIS, (e) the integration of Synergy's operations into those of STERIS being more difficult, time-consuming or costly than expected,

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(f) operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the transaction, (g) the retention of certain key employees of Synergy being difficult, (h) changes in tax laws or interpretations that could increase our consolidated tax liabilities, including, if the transaction is consummated, changes in tax laws that would result in New STERIS being treated as a domestic corporation for United States federal tax purposes, (i) the potential for increased pressure on pricing or costs that leads to erosion of profit margins, (j) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated, (k) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions, including without limitation those relating to FDA warning notices or letters, government investigations, the outcome of any pending FDA requests, inspections or submissions, or other requirements or standards may delay, limit or prevent new product introductions, affect the production and marketing of existing products or services or otherwise affect Company performance, results, prospects or value, (l) the potential of international unrest, economic downturn or effects of currencies, tax assessments, adjustments or anticipated rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs, (m) the possibility of reduced demand, or reductions in the rate of growth in demand, for products and services, (n) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labor, competition, timing, execution, regulatory, governmental, or other issues or risks associated with STERIS and Synergy's businesses, industry or initiatives including, without limitation, the consent decree or those matters described in STERIS's Form 10-K for the year ended March 31, 2014 and other securities filings, may adversely impact Company performance, results, prospects or value, (o) the possibility that anticipated financial results or benefits of recent acquisitions, or of STERIS's restructuring efforts will not be realized or will be other than anticipated, (p) the effects of the contractions in credit availability, as well as the ability of STERIS and Synergy's customers and suppliers to adequately access the credit markets when needed, and (q) those risks described in STERIS's Annual Report on Form 10-K for the year ended March 31, 2014, and other securities filings.

Important Additional Information Regarding the Transaction Will Be Filed With The SEC It is expected that the shares of New STERIS to be issued by New STERIS to Synergy Shareholders in the U.K. law scheme of arrangement transaction that forms a part of the transaction will be issued in reliance upon the exemption from the registration requirements of the Securities Act of 1933, as amended, provided by Section 3(a)(10) thereof.

In connection with the issuance of New STERIS shares to STERIS shareholders pursuant to the merger that forms a part of the transaction, New STERIS will file with the SEC a registration statement on Form S-4 that will contain a prospectus of New STERIS as well as a proxy statement of STERIS relating to the merger that forms a part of the transaction, which we refer to together as the Form S-4/Proxy Statement

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE FORM S-4/PROXY STATEMENT, AND OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION CAREFULLY AND IN THEIR ENTIRETY, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION, THE PARTIES TO THE TRANSACTION AND THE RISKS ASSOCIATED WITH THE TRANSACTION.. .

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Those documents, if and when filed, as well as STERIS'S and New STERIS's other public filings with the SEC may be obtained without charge at the SEC's website at www.sec.gov, at STERIS's website at www.steris-ir.com. Security holders and other interested parties will also be able to obtain, without charge, a copy of the Form S-4/Proxy Statement and other relevant documents (when available) by directing a request by mail or telephone Julie_Winter@steris.com or (440) 392-7245. Security holders may also read and copy any reports, statements and other information filed with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for further information on its public reference room.

STERIS, its directors and certain of its executive officers may be considered participants in the solicitation of proxies in connection with the transactions contemplated by the Proxy Statement. Information about the directors and executive officers of STERIS is set forth in its Annual Report on Form 10-K for the year ended 31 March, 2014, which was filed with the SEC on 29 May, 2014, and its proxy statement for its 2014 annual meeting of shareholders, which was filed with the SEC on 9 June, 2014. Other information regarding potential participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Form S-4/Proxy Statement when it is filed.

Synergy and New STERIS are each organised under the laws of England. Some of the officers and directors of Synergy and New STERIS may be residents of countries other than the United States. As a result, it may not be possible to sue Synergy, New STERIS or such persons in a non-US court for violations of US securities laws. It may be difficult to compel Synergy, New STERIS and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court or for investors to enforce against them the judgments of US courts.

Participants in the Solicitation

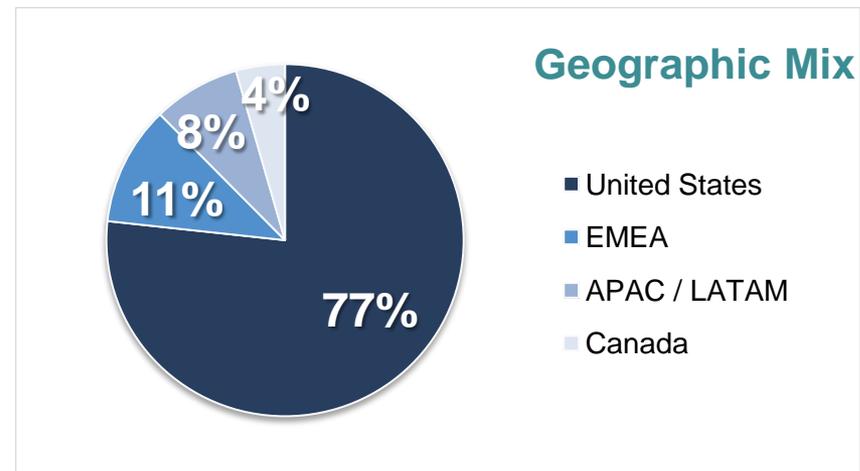
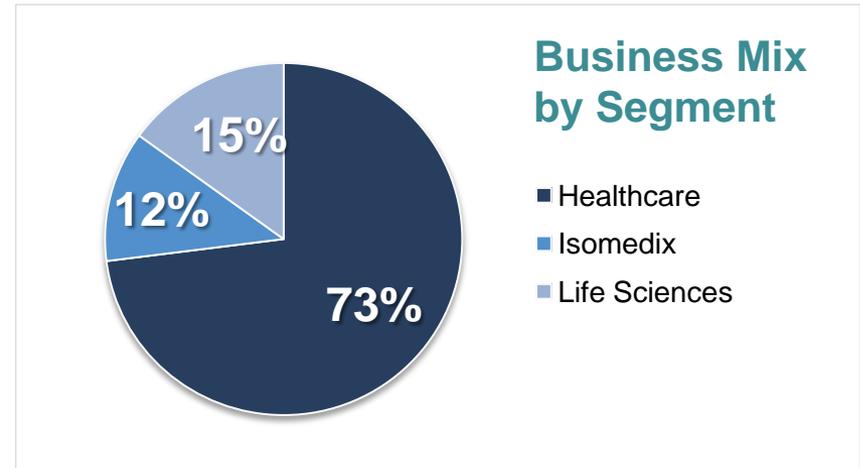
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Responsibility

The directors of STERIS accept responsibility for the information contained in this document and, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and it does not omit anything likely to affect the import of such information.

STERIS Overview

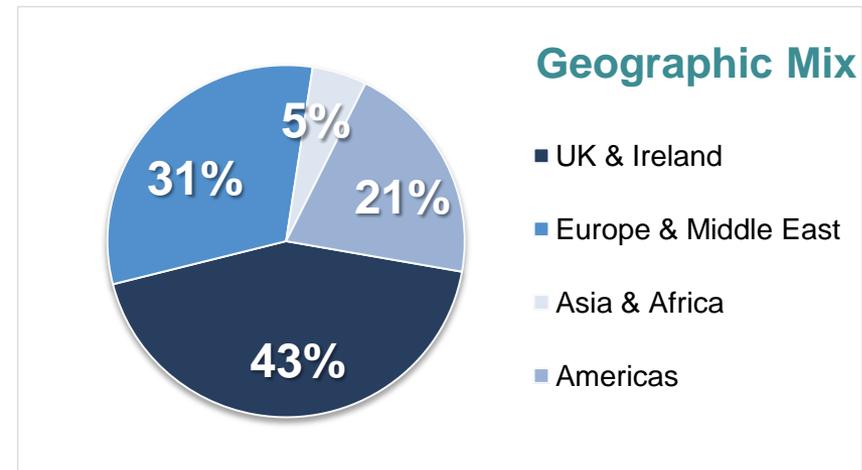
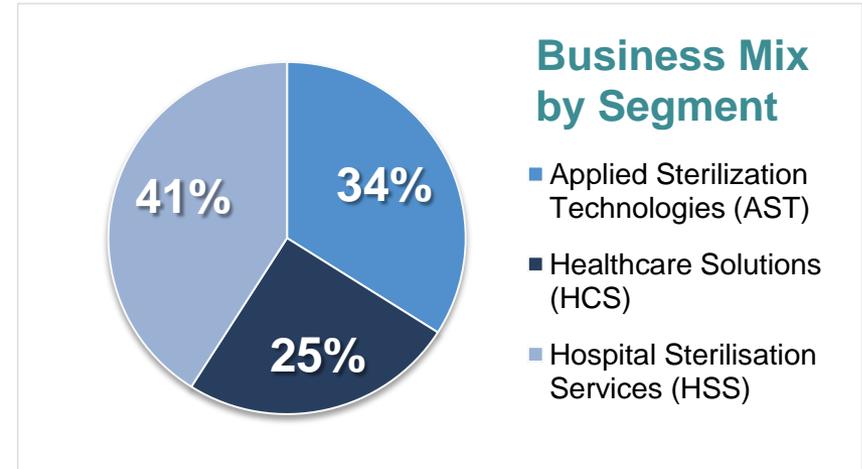
- A global leader in infection prevention, decontamination, GI and surgical products and services
- **\$1.9 billion** in revenue in FY15
- Approximately **8,000** people worldwide
- Direct sales and service force of over **2,500** team members
- **77%** of revenue in the United States
- **Nine** acquisitions in the past three years



Note: Based on FY2014 actual revenues

Synergy Overview

- **Global leader in outsourced sterilization services for medical device manufacturers, hospitals and other industries.**
 - **Applied Sterilization Technologies (AST)** provider of outsourced sterilization to medical device manufacturers
 - **Hospital Sterilization Services (HSS)** provider of outsourced decontamination services for reusable medical and surgical equipment
 - **Healthcare Solutions (HCS)** provider of a range of products and services in managing the environment in a healthcare setting
- **\$604** million in revenue in Fiscal Year 2014
- **UK-domiciled FTSE 250** company
- **6,000** employees worldwide
- **Three** acquisitions in the past two years



*Note: Business mix by segment figures pertain to Q1 FY2015
Geographic Mix relates to FY14 results*

Transaction Overview

Transaction Terms

- Acquisition of Synergy for \$1.9 billion in cash and New STERIS stock
- STERIS shareholders to receive one share of New STERIS for each STERIS share
- Synergy shareholders to receive per-share consideration valued at **£19.50**, consisting of **£4.39** cash and **0.4308** share of New STERIS
- STERIS has secured committed funding for the transaction
- New STERIS ownership: **70%** STERIS shareholders / **30%** Synergy shareholders

Substantial Premium to Synergy Shareholders

- **39%** premium to last closing share price
- **32%** premium to 3-month VWAP
- **27%** premium to 52-week high

Transaction Structure

- STERIS and Synergy each to merge into subsidiaries of a UK holding company New STERIS
- New STERIS incorporated in the UK; New STERIS expected to retain NYSE listing under ticker STE
- New STERIS to maintain operational headquarters in Mentor, Ohio

Strategic Rationale

Create a global leader in infection prevention and sterilization

- Allows STERIS to better provide comprehensive solutions to device companies and hospitals around the world
- Build on STERIS's recent acquisitions to provide an expanded suite of integrated, value-added products and services to hospitals globally

Increase portfolio diversity

- Create a more balanced portfolio from which New STERIS could deliver products and services tailored to best serve the evolving needs of global Customers

Increase geographic diversity

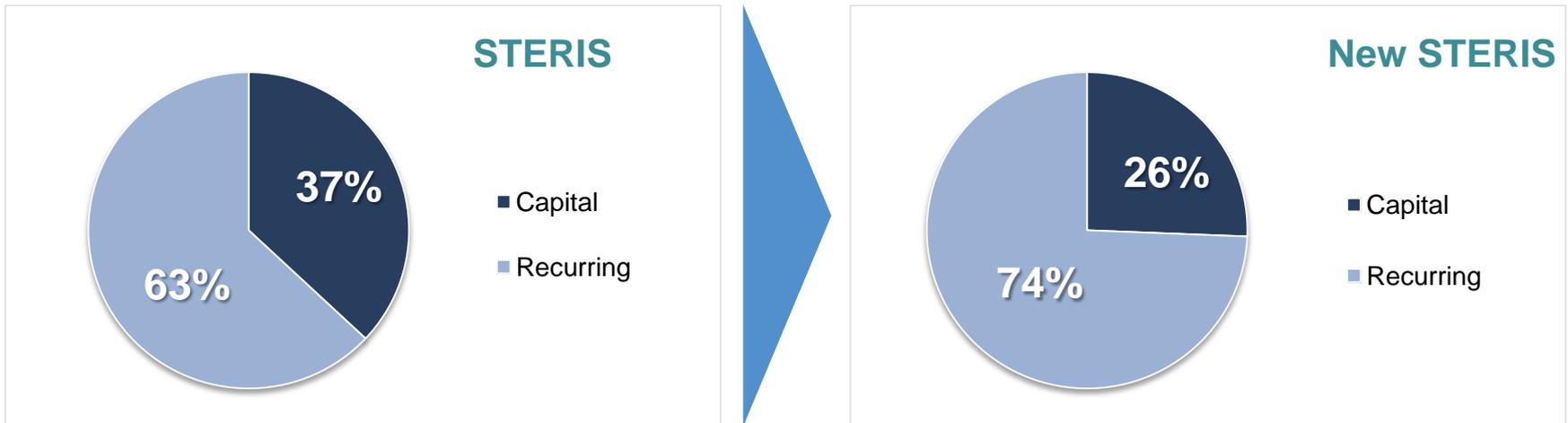
- Combines STERIS's strength in North America with Synergy's strong positions in Europe
- Increases exposure to emerging markets such as Asia Pacific and Latin America
- Brings together the geographically complementary STERIS Isomedix and Synergy AST device sterilization businesses to create a leading global supplier to best serve medical device Customers

Accelerate growth profile

- Estimated annual pre-tax cost synergies of **\$30** million or more, which will be phased 50% in fiscal 2016 and 100% thereafter
- Expected to be significantly accretive to adjusted earnings per diluted share in **fiscal year 2016** and beyond

Greater Portfolio Diversity

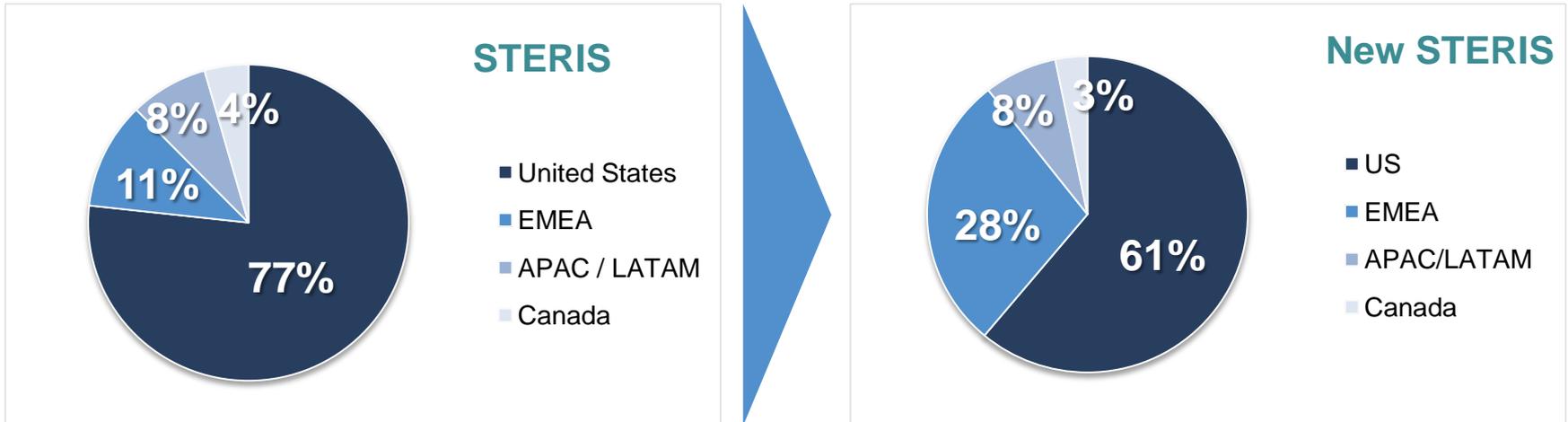
- **More balanced portfolio** from which New STERIS could deliver products and services tailored to **best serve the evolving needs** of global Customers
- **Differentiated product** and service offering
- Potential to **cross-sell STERIS's products and services** to Synergy's Customers and vice versa
- **Increases recurring revenue mix** – combined 58 Isomedix/AST facilities in 18 countries



Source: Company filings and investor presentation.

Greater Geographic Diversity

- Combines **STERIS's strength in North America** with **Synergy's strong positions in Europe**
- Brings together the **geographically complementary STERIS's Isomedix and Synergy's AST** device sterilization businesses to create a leading global supplier to **best serve medical device Customers**



Source: Company filings and investor presentation.

Note: Based on STERIS FY2014 actual revenues and Synergy management

Accelerated Growth Profile

Accelerated growth profile

- Leverage STERIS's capabilities and infrastructure to make Synergy's products and services more successful
- Access Synergy's Customer base to cross-sell current and new STERIS products and services

\$30 million or more estimated annual pre-tax cost synergies

- Optimizing global back-office
- Leveraging best-demonstrated practices across plants
- In-sourcing consumables
- Eliminating redundant public company costs
- Phased in 50% in fiscal 2016 and 100% thereafter

Compelling financial benefits and improved financial flexibility

- Expected to be significantly accretive to adjusted earnings per diluted share in fiscal year 2016 and beyond
- New STERIS is expected to have an effective tax rate of approximately 25% by fiscal year 2016
- Provide more flexible access to New STERIS's global cash flows

Logical Extension of STERIS's Growth Strategy

STERIS track record of executing value-creating M&A transactions

- Strengthen core business (VTS Medical and Eschmann, Biotest)
- Expand GI business (US Endoscopy)
- National consolidator of instrument repair business (Spectrum, TRE, Florida Surgical, Life Systems, IMS)

Acquisition of Synergy is consistent with long-term goals

- Mid- to high-single digit revenue growth
 - Market growth
 - Success with new products
 - Acquisitions
- Double-digit earnings per share growth
- Generate robust annual free cash flows

Efficient Capital Allocation

Reasonable debt-to-capital levels with access to additional funds

- Anticipated debt to EBITDA of ~2.9x (an increase from 2.2x as of June 30, 2014)
- More flexible access to global cash
- Revolving credit facility in place to support operational needs
- In conjunction with the transaction, STERIS obtained a 364-Day Bridge Credit Agreement. Bank of America Merrill Lynch, J.P. Morgan and Key Bank provided committed financing in conjunction with the transaction in the amount of approximately \$1.6 billion.

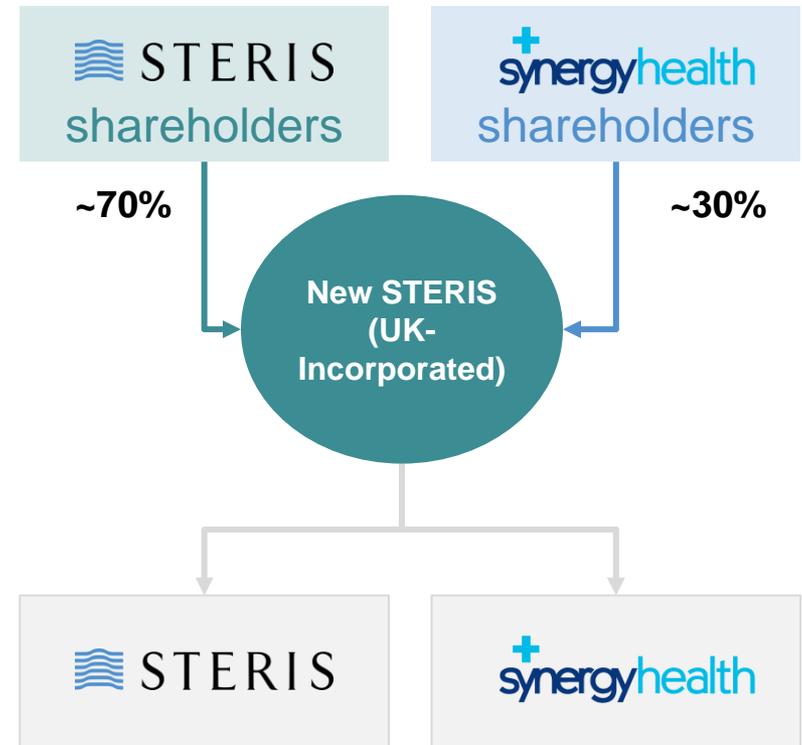
Disciplined capital allocation policies

- Maintain and grow our dividend responsibly relative to our growth
- Invest for growth in our organic businesses
- Targeted acquisitions in adjacent product and market areas
- Reduce total company leverage
- Share buybacks

New STERIS Corporate Structure

- STERIS and Synergy to each merge into subsidiaries of a **new holding company** New STERIS
- New STERIS to be **incorporated in the UK**
- STERIS's **operational headquarters** will remain in **Mentor, Ohio**
- New STERIS expected to have a **13 member Board of Directors**
 - 10 current STERIS Directors
 - Synergy CEO
 - Two additional members from Synergy Board
- New STERIS shares expected to be **listed on the New York Stock Exchange under the ticker STE**

Post-Closing Organizational Structure



Note: Excludes, for clarity only, US Acquisition Co, into which STERIS will initially merge, and UK merger sub, into which Synergy will merge.

Next Steps

Combination to be implemented by UK Scheme of Arrangement

- New STERIS S-4/Proxy expected to be filed in November
- Scheme to become effective and transaction expected to be completed by the end of fiscal 2015

Regulatory approvals

- Subject to STERIS and Synergy shareholder approvals
- Subject to regulatory review in the U.S. and U.K.

Next Communications

- STERIS and Synergy's 2Q15 earnings calls are scheduled for November 5, 2014