



HISTORY AND TIMELINE

The History of STERIS: 1987 to 2009

Our Legacy

STERIS is the world's pre-eminent infection prevention, decontamination and surgical technology company, with thousands of customers in more than 60 countries. While the corporation was founded in 1987, our history dates back to 1894, to the founding of the American Sterilizer Company, a longstanding, leading global innovator of sterilization products.

Today, through a series of strategic acquisitions and continual product innovation, STERIS holds one of the broadest portfolios of products in the industry. The Company stands at the forefront of the industry, preventing infection and contamination in healthcare and pharmaceutical environments, and is broadening its reach with products that also meet the needs of defense and industrial markets.

The Beginning: Innovative Medical Technologies (IMT)

The advent of minimally invasive surgery drove the need to develop new sterilization techniques that would destroy microbial pathogens without harming delicate equipment that could not withstand steam sterilization. Ray Kralovic conceived a solution, and when his employer refused to consider it, he pursued it as an independent venture.

Health Environment Industry Changes: Driving Forces

In the 1980s, the advent of minimally invasive surgery (MIS) was revolutionizing healthcare. Technological advances were fueling the growth in MIS, especially breakthroughs in endoscopes — instruments with long thin tubes carrying cables and fiber optics, and connected to miniature cameras and surgical devices.

The need to sterilize surgical devices such as endoscopes presented an important cost barrier to MIS in its infancy, because the prevailing sterilization techniques were geared to the open surgery model. The predominant sterilization processes for instruments associated with open surgery were, and still are, steam and gas methods. These methods work effectively to sterilize large batches of surgical instruments such as forceps, clamps and scalpels.

MIS presented an entirely different sterilization challenge. Not only are endoscopes and laparoscopes much more expensive than, say, a tray of scalpels, clamps and forceps; they are delicate, heat-sensitive instruments that can easily be damaged by steam.

OR managers were therefore faced with a dilemma. Generally, medical centers could afford to purchase only a modest number of scopes because of their cost. At the same time, the popularity of MIS caused a big surge in demand for minimally invasive procedures. Since gas methods took 14-24 hours to process, and steam methods damaged the delicate scopes, it appeared that the only way providers could meet this demand was by acquiring more scopes or by disinfecting instead of sterilizing the devices between patient uses. By 1987, however, there was an alternative solution.

Kralovic's Solution

Raymond Kralovic, PhD, a microbiologist employed at Amsco International (a century old company and at the time, the established leader in infection control equipment and consumable products for the healthcare market), conceived a low-temperature, liquid sterilization process. Although the concept began with a different chemical, it eventually employed peracetic acid (a chemical with well-known antimicrobial properties) combined with chemical buffers and water to create a pH neutral solution that would be safe for instruments, personnel, and the environment. Dr. Kralovic also conceived the idea of a compact sterilization system that could be conveniently located near the operating room (OR) to sterilize medical devices just in time for use.

When Ray presented his theory of low-temperature liquid-chemical sterilization to Amsco management, it was considered too radical and too risky an investment. In spite of numerous refusals, Ray continued to request R&D funding support. Finally, after two years of trying, Ray approached management one more time –at the annual company picnic. This time, he was told that he was free to take his ideas and go. According to legend, the exact words were, “In fact, Ray, we insist you go.” So after eight years with the company, Ray picked up his possessions from the company the following day and left.

A new name for innovation

In 1985, Ray relocated to Mentor, Ohio, a fast-growing commercial and industrial community near Cleveland. On August 9, 1985, he founded Innovative Medical Technologies Corporation (the forerunner of STERIS) with Ed Schneider (Snyder), a mechanical engineer who owned a design and manufacturing firm in Willoughby. The company's goal was to develop a low-temperature sterilization system for reusable surgical equipment.

The original financing for the company was \$115,000; \$30,000 came from Ray and Ed, and \$85,000 was provided by Medical Ventures investment group. Research at Case Western Reserve University was undertaken to determine if a biocidal chemical formulation that is normally very corrosive to materials could be rendered non-corrosive without impairing its biocidal activity.

During 1986, additional funds came from the State of Ohio's Thomas Alva Edison Partnership, and the process of validating the marketability of the product began. Ray contacted Primus Venture Partners, a Cleveland, Ohio-based private equity partnership committed to funding private companies with exceptional growth potential. (Note- Primus was founded by Loyal Wilson, one of STERIS's original Board of Directors members, who still serves on the Board today.) Primus contracted with Bill Sanford, then president of Symark Associates, to meet with Ray and Ed in order to provide an opinion to Primus on IMT's investment potential. Bill advised Primus to make an investment, and Primus agreed to, with the stipulation that Bill become the president of the company.

Believing in the technology's potential, Bill joined the company as president in early 1987 and received \$1.2 million in capital financing from Primus, McDonald and Company, Invacare, Ameritrust, and other Cleveland area investors. On April 1, 1987, the company changed its name from Innovative Medical Technologies to STERIS Corporation. And medical device history continues...



Timeline of Key Events:

1985

- STERIS is founded as Innovative Medical Technologies with five employees in Mentor, Ohio.
- Venture capital is acquired and research continues on the development of a liquid chemical system for the sterilization of endoscopes.
- A prototype SYSTEM 1[®] Sterile Processing System is built and patents are filed.

1988

- STERIS 20 Sterilant Concentrate, a single-use peracetic acid formulation, and its special packaging are designed and developed for use with the SYSTEM 1 processor.
- Regulatory reviews are completed and the SYSTEM 1 Sterile Processing System receives market clearance.
- The first SYSTEM 1 unit is manufactured and shipped.

1990

- STERIS begins international shipments of SYSTEM 1 processors and sterilant.

1991

- STERIS moves to a larger manufacturing facility in Mentor, Ohio.
- SYSTEM 1 processors and sterilant are launched in Canada.
- The 1000th SYSTEM 1 unit is shipped.

1992

- STERIS makes an initial public offering of 200,000 shares of common stock at \$7 a share, and the Company is registered on the NASDAQ exchange as "STRL."
- The 1 millionth cup of STERIS 20 sterilant is produced.

1993

- STERIS makes its second public stock offering – 1 million common shares at \$13.50 per share.
- STERIS employs 200 people.

1994

- Production of STERIS 20 sterilant reaches the **five million cup** mark.

1995

- STERIS announces a 2-for-1 stock split of common shares.
- STERIS employs 500 people in nine countries.

1996

- STERIS acquires Amsco International, Inc., a premier manufacturer and global supplier of sterilization systems, surgical tables and lights, and related infection prevention products and services for the healthcare and scientific markets. STERIS instantly grows from a 500-employee company to a 3,000-employee organization.
- STERIS acquires Surgicot, Inc., a developer and manufacturer of sterility assurance technologies and products.
- STERIS acquires Calgon Vestal Laboratories, the U.S. market-leading developer and manufacturer of instrument decontamination products, routine and high-risk skin care products, surgical scrubs and hard-surface disinfectants.

1997

- STERIS acquires Joslyn Sterilizer Corporation, an innovative designer and manufacturer of steam and low-temperature gas sterilizers and related process controls and sterilant recovery systems.
- STERIS acquires Isomedix Services, the leading provider of contract sterilization and microbial reduction services for manufacturers and producers of medical and non-medical products.
- The 10,000th SYSTEM 1 unit ships and the 20 millionth cup of STERIS 20 sterilant is produced.

1998

- STERIS acquires Hausted, Inc., a leading developer and manufacturer of state-of-the-art patient handling and transport systems used for a wide variety of healthcare applications.
- STERIS acquires Royal Sterilization Systems, expanding Isomedix Services.
- STERIS announces a second stock split at 2-for-1. The Company moves to the New York Stock Exchange and is given the symbol "STE."

1999

- STERIS acquires Quality Sterilization Services, further expanding Isomedix Services.
- STERIS acquires FoodLabs, Inc., a provider of analytical, product development and consulting services to the food and agricultural industries, with a particular focus on food safety.
- Les C. Vinney joins STERIS as chief financial officer.

2000

- Bill Sanford, STERIS's first president and chief executive officer, retires, and Les C. Vinney is appointed president and chief executive officer.

2002

- STERIS receives crisis exemptions from the U.S. Environmental Protection Agency to address anthrax contamination in several government facilities.

2003

- STERIS acquires Hamo Holding AG, a Swiss-based manufacturer of washing/decontamination systems used in healthcare, pharmaceutical and research industries.

2004

- STERIS acquires Albert Browne Limited, a privately held manufacturer of chemical indicators based in the United Kingdom.
- STERIS revenues reach the \$1 billion mark.

2005

- STERIS acquires certain assets from Cosmed, Inc., including five strategically located ethylene oxide sterilization facilities that increase the total number of Isomedix Services locations to 21.
- STERIS's patented vaporized hydrogen peroxide decontamination technology is deployed to Louisiana and Mississippi, where it is used to decontaminate emergency response vehicles, facilities and equipment contaminated with a broad range of pathogens after Hurricane Katrina.
- STERIS acquires FH Surgical SAS, a privately held manufacturer of surgical tables located in Orleans, France; expanding the Company's offerings to Customers in the United States and opening new distribution channels in Europe.

2006

- The Reliance® Endoscope Processing System, an automated, self-contained high-level disinfection technology for gastrointestinal suites at hospitals and surgery centers, receives FDA clearance for sale in the United States.
- Vaprox® sterilant receives expanded EPA clearance for commercial use on surfaces in large enclosed areas, including patient rooms, ambulances, laboratories, pharmaceutical manufacturing rooms, hotel rooms, offices, cruise ships, recreational facilities and industrial settings.

2007

- A new production facility in Monterrey, Mexico opens and begins manufacturing and shipping sterilizers to global Customers.
- Tetra Pak, a world leader in food processing and packaging solutions, selects STERIS as a strategic global supplier to provide sterilization systems on a Tetra Pak beverage filling platform; expanding the Company's capabilities into a new market.
- STERIS now employs approximately 5,300 people with representation in more than 60 countries.
- Walter M Rosebrough Jr. is named president and chief executive officer.

2008

- Michael J. Tokich is named senior vice president and chief financial officer.
- STERIS and VTS Medical Systems, Inc., sign a joint venture agreement designed to bring the latest high-definition video, touch-screen integration, and communication technology into hospital operating rooms.
- STERIS signs strategic agreements with Philips Medical and GE Healthcare to provide surgical lighting, boom and integration technologies, along with project design and service support, for advanced high-definition integrated surgical suites and hybrid procedure rooms in hospitals and health centers.

Spring 2009

- STERIS now employs 5,000 people, with representation in more than 60 countries.
- The Company has a sales force of more than 500 professionals and a service force of more than 1,100.

Please note: this document is presented only for historical reference purposes. It contains information that was accurate for the years listed, but that may no longer be current or accurate. Readers are advised not to use this document as their only reference source.