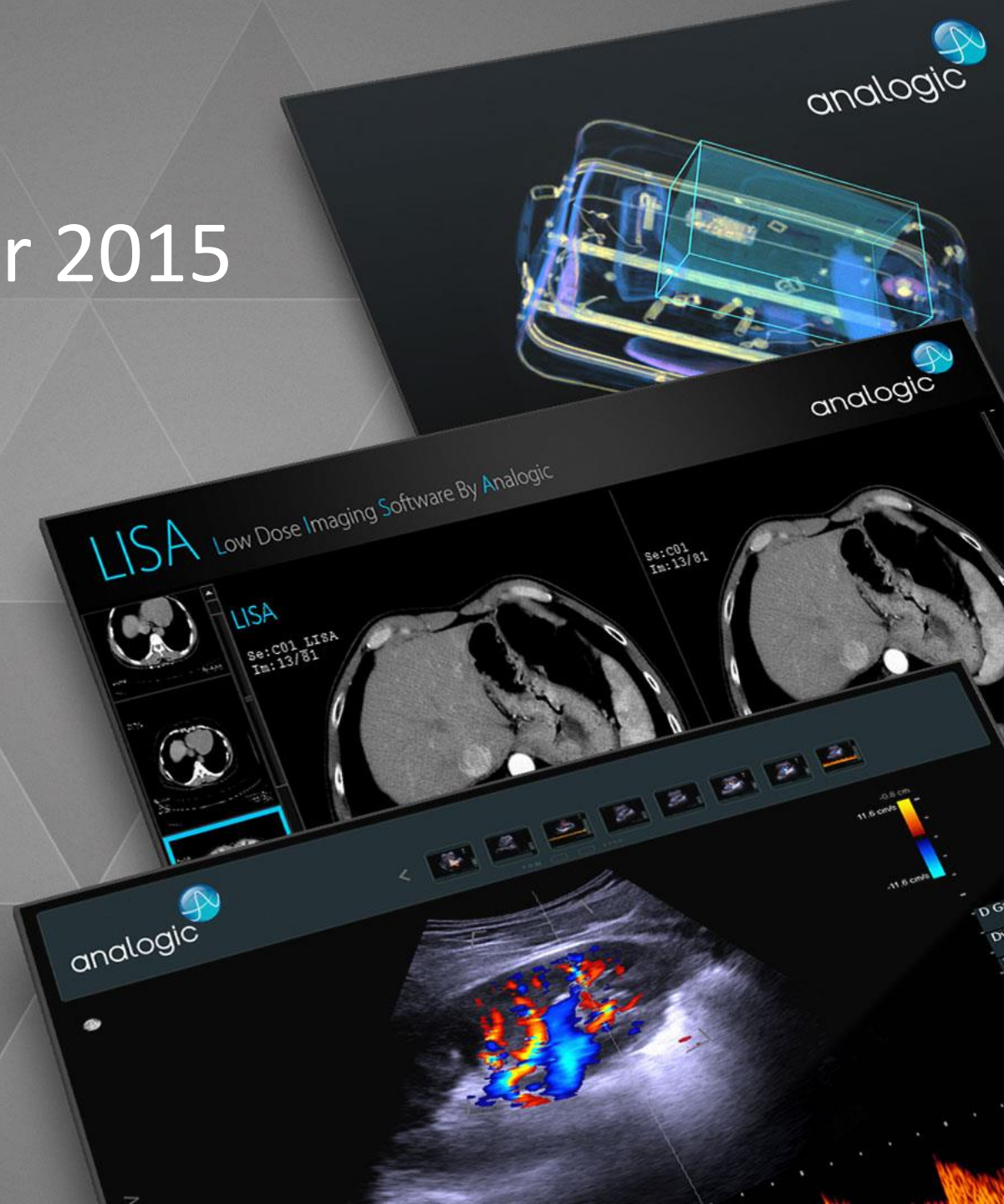


# Fourth Quarter 2015 Earnings Call

September 16, 2015

NASDAQ: ALOG



# Safe Harbor

Any statements about future expectations, plans, and prospects for the Company, including statements containing the words “believes,” “anticipates,” “plans,” “expects,” and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including risks relating to product development and commercialization, limited demand for the Company’s products, risks associated with competition, uncertainties associated with regulatory agency approvals, competitive pricing pressures, downturns in the economy, the risk of potential intellectual property litigation, acquisition related risks, and other factors discussed in our most recent quarterly or annual report filed with the Securities and Exchange Commission. In addition, the forward-looking statements included in this presentation represent the Company’s views as of the date of this document. While the Company anticipates that subsequent events and developments will cause the Company’s views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company’s views as of any later date.

# Use of Non-GAAP Financials

This presentation includes non-GAAP financial measures that are not in accordance with, nor an alternative to, generally accepted accounting principles and may be different from such non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

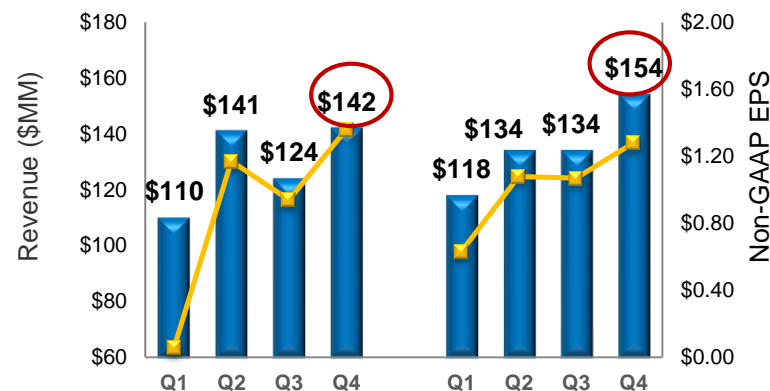
Management uses non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP diluted earnings per share to evaluate the Company's operating performance against past periods and to budget and allocate resources in future periods. These non-GAAP measures also assist management in understanding and evaluating the underlying baseline operating results and trends in the Company's business.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material effect on our reported results and, therefore, should not be relied upon as the sole financial measures to evaluate our financial results. The non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures can be found in the appendix to this presentation and our Fourth Quarter FY2015 press release issued September 16, 2015 available at our website <http://investor.analogic.com>.

# Q4 '15 Highlights

Revenue and EPS in line with expectations, despite currency impact

Revenue and Non-GAAP EPS\*



Non-GAAP EPS	\$0.06	\$1.17	\$0.94	\$1.36	\$0.63	\$1.08	\$1.07	\$1.28
GAAP EPS	-\$0.30	\$1.53	\$0.62	\$0.89	\$0.29	\$0.78	\$0.72	\$0.86

## Financial Highlights (Q4 '15 vs. prior year)

- Revenue \$154M, up 9% (up 11% on constant currency)
- Gross Margin 41%, down 2 pts. (on rounding), 1 pt. on f/x
- GAAP Operating Margin 10%, up 2 pts.
- Non-GAAP Operating Margin 14%, flat
- GAAP EPS \$0.86, down \$0.03 (incl. \$0.12 reserve for BK Medical distributor matter)
- Non-GAAP EPS \$1.28, down \$0.08

## Business Highlights

- Medical Imaging down in the quarter, margins stay strong
- Ultrasound delivered double digit growth
- Security & Detection returns to strong growth

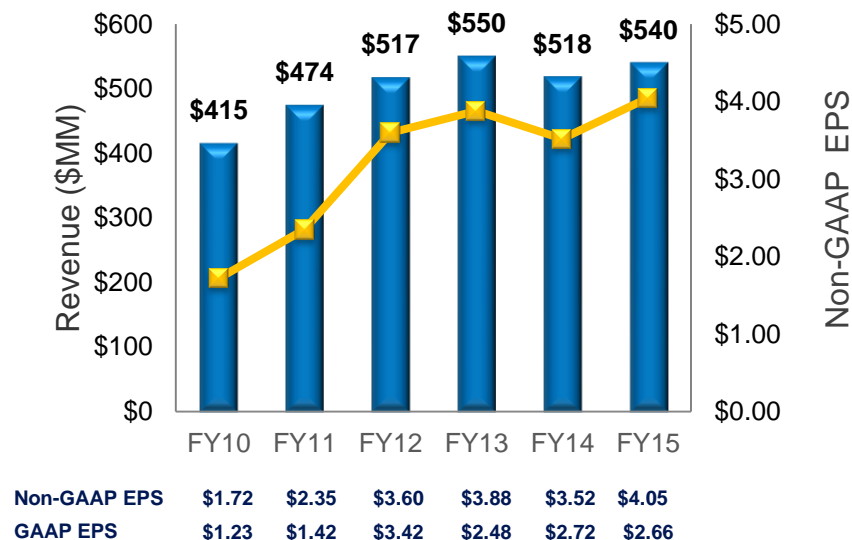
\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2015 earnings release available at <http://investor.analogic.com>.

# FY15 Financial Highlights

*Back to record level revenue and earnings in spite of currency impacts*

- Revenue \$540M, up 4% (6% on constant currency)
- Gross Margin 42%, flat (up 1 pt. on constant currency)
- GAAP Operating Margin 8%, up 2 pts.
- Non-GAAP Operating Margin 12%, up 1 pt.
- GAAP EPS \$2.66, down \$0.06 (up \$0.68 excluding net effect of tax benefits and reserve for BK Medical distributor matter)
- Non-GAAP EPS \$4.05, up \$0.53

**Revenue and Non-GAAP EPS\***



\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2015 earnings release available at <http://investor.analogic.com>.

# FY15 Segment Highlights

## Medical Imaging, revenue down 1% full year

- Siemens received FDA approval on 3D tomosynthesis
- CT and Mammography growth offset some softness in MRI subsystems
- Launched new gen. mid-tier MRI Gradient Amp to drive emerging market growth
- Continued ramp up of highly ruggedized private label CT in China

## Ultrasound, revenue grows 9% in the year, (up 14% on constant currency)

- North America continued strong double digit growth +20%
- Europe and EMEA distribution declined 5%, but grew 7% on constant currency
- China sales up strong, offset by rest of Asia distributors
- Successful introduction of TriCore™ based flagship bk3000™ (100+ shipped)
- Private label development on schedule for early FY16 production launch
- Expanded dialysis studies for Sonic Window building case for market entry

## Security and Detection, revenue up 17% full year

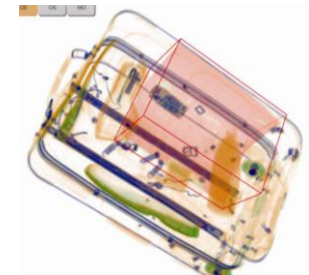
- Sales growth on shipments of mid and high speed lines, strong international
- Customer key international wins (Heathrow, Abu Dhabi, Morocco, Korea)
- Rapid DNA shipments to DOD, on-going FBI testing for law enforcement



Private label CT

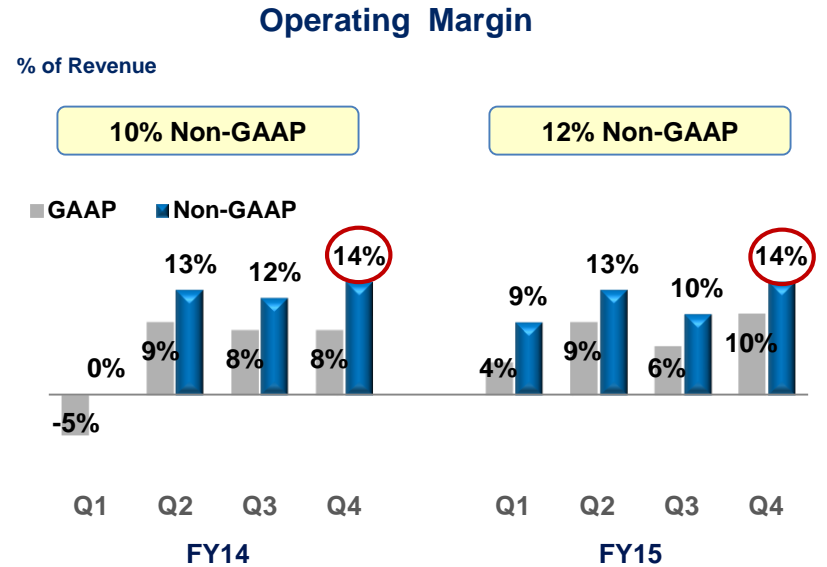
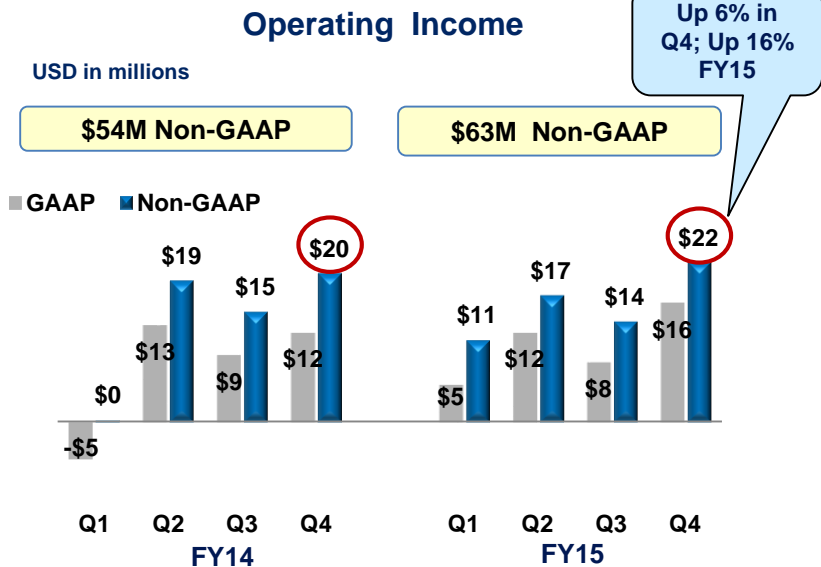
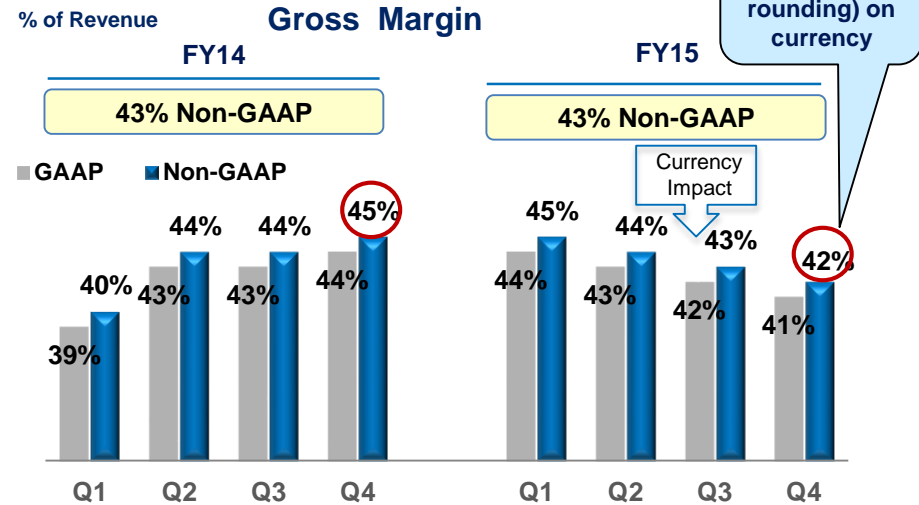
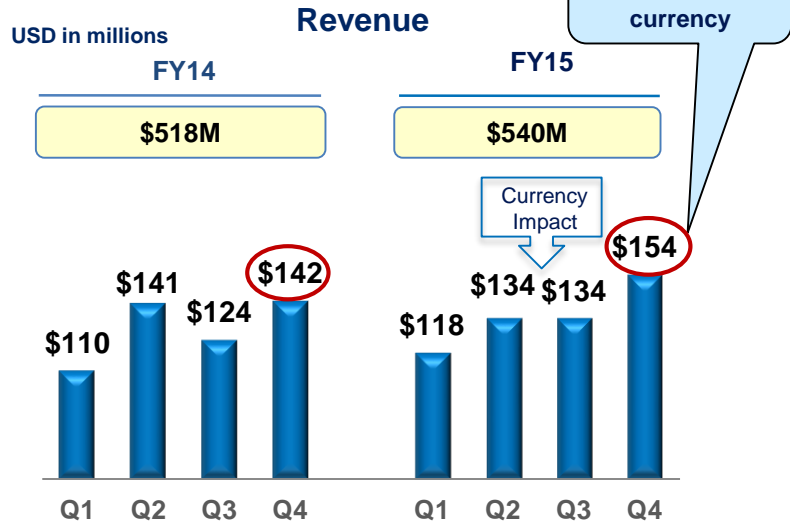


bk3000™



CT baggage scan

# Analogic Quarterly Performance Highlights



\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2015 earnings release available at <http://investor.analogic.com>.

# Q4 FY2015 Financial Results

Unaudited - \$ Millions ex. EPS	GAAP		Non-GAAP	
	Three months Ended July 31		Three months Ended July 31	
	Q4 FY15	Q4 FY14	Q4 FY15	Q4 FY14
Products	\$ 152.5	\$ 139.5	\$ 152.5	\$ 139.6
Engineering	2.0	2.5	2.0	2.5
<b>Total Revenue</b>	<b>154.5</b>	<b>142.0</b>	<b>154.5</b>	<b>142.1</b>
<b>Gross Profit</b>	<b>64.0</b>	<b>62.3</b>	<b>65.2</b>	<b>63.4</b>
<b>Gross Margin</b>	<b>41%</b>	<b>44%</b>	<b>42%</b>	<b>45%</b>
<b>Operating Expenses</b>	<b>48.3</b>	<b>50.4</b>	<b>43.6</b>	<b>43.2</b>
<b>Op Ex % of Revenue</b>	<b>31%</b>	<b>35%</b>	<b>28%</b>	<b>30%</b>
<b>Operating Income</b>	<b>15.7</b>	<b>11.9</b>	<b>21.6</b>	<b>20.2</b>
<b>Operating Margin</b>	<b>10%</b>	<b>8%</b>	<b>14%</b>	<b>14%</b>
Other Income (Expense)	0.3	(0.1)	0.9	(0.1)
<b>Income Before Taxes</b>	<b>16.0</b>	<b>11.8</b>	<b>22.4</b>	<b>20.1</b>
Income Tax Provision (Benefit)	5.1	0.6	6.3	2.9
<b>Effective tax rate</b>	<b>32%</b>	<b>5%</b>	<b>28%</b>	<b>14%</b>
<b>Net Income</b>	<b>\$ 10.9</b>	<b>\$ 11.2</b>	<b>\$ 16.1</b>	<b>\$ 17.2</b>
<b>Diluted EPS</b>	<b>\$ 0.86</b>	<b>\$ 0.89</b>	<b>\$ 1.28</b>	<b>\$ 1.36</b>

Revenue increased 9%, 11% in constant currency

Gross margin down 2 pts. on rounding, primarily currency

Non-GAAP Operating expenses increased 1%

Favorable GAAP income tax in Q4 '14 includes a tax benefit of \$2.1M.

\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2015 earnings release available at <http://investor.analogic.com>.



# Twelve Months FY2015 Financial Results

Unaudited - \$ Millions ex. EPS	GAAP		Non-GAAP	
	Twelve Months Ended July 31		Twelve Months Ended July 31	
	FY15	FY14	FY15	FY14
Products	\$ 531.2	\$ 509.5	\$ 531.4	\$ 509.8
Engineering	9.1	8.0	9.1	8.0
<b>Total Revenue</b>	<b>540.3</b>	<b>517.5</b>	<b>540.5</b>	<b>517.8</b>
<b>Gross Profit</b>	<b>229.5</b>	<b>219.7</b>	<b>234.0</b>	<b>224.0</b>
<b>Gross Margin</b>	<b>42%</b>	<b>42%</b>	<b>43%</b>	<b>43%</b>
<b>Operating Expenses</b>	<b>188.9</b>	<b>190.6</b>	<b>171.2</b>	<b>169.8</b>
<b>Op Ex % of Revenue</b>	<b>35%</b>	<b>37%</b>	<b>32%</b>	<b>33%</b>
<b>Operating Income</b>	<b>40.6</b>	<b>29.1</b>	<b>62.8</b>	<b>54.2</b>
<b>Operating Margin</b>	<b>8%</b>	<b>6%</b>	<b>12%</b>	<b>10%</b>
Other Income (Expense)	0.4	(0.1)	1.0	0.4
<b>Income Before Taxes</b>	<b>41.0</b>	<b>29.1</b>	<b>63.8</b>	<b>54.6</b>
Income Tax Provision (Benefit)	7.6	(5.4)	12.7	10.0
<b>Effective tax rate</b>	<b>18%</b>	<b>-19%</b>	<b>20%</b>	<b>18%</b>
<b>Net Income</b>	<b>\$ 33.4</b>	<b>\$ 34.5</b>	<b>\$ 51.0</b>	<b>\$ 44.6</b>
<b>Diluted EPS</b>	<b>\$ 2.66</b>	<b>\$ 2.72</b>	<b>\$ 4.05</b>	<b>\$ 3.52</b>

Revenue up 4%, 6% growth in constant currency

Gross margin flat, up 1 pt. on constant currency

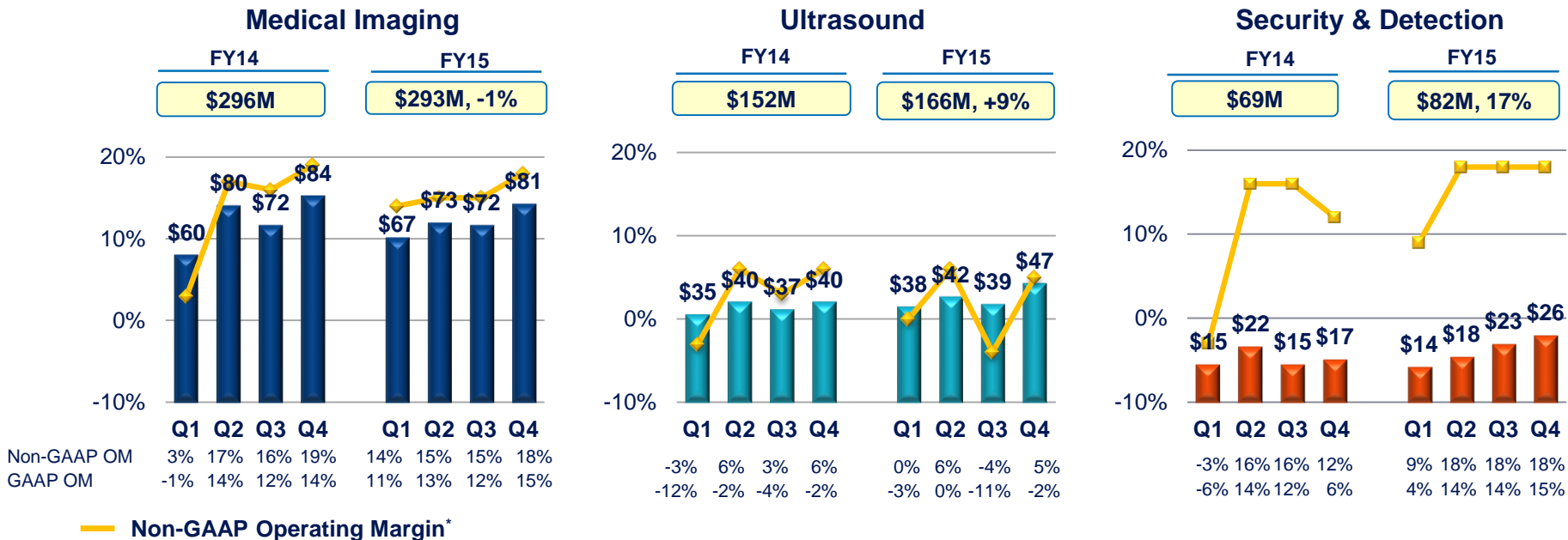
Non-GAAP Operating expenses increased 1%

GAAP income tax includes a tax benefit of \$3.0M in FY15 and a tax benefit of \$10.9M in FY14. \$8.8M of the FY14 tax benefit was excluded for Non-GAAP.

\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2015 earnings release available at <http://investor.analogic.com>.

# Operating Performance by Segment

## Revenue \$M and Non-GAAP\* Operating Margin Trend



- **Medical Imaging** revenue down 4% for the quarter due to strong comparison to Mammography and CT sales in 2014; non-GAAP operating margin down 1pt. as compared to Q4 '14.
- **Ultrasound** revenue grew 17% for the quarter (26% in constant currency) primarily on growth in North America & Europe sales; non-GAAP operating margin was down 1pt. from Q4 '14 due to unfavorable f/x. Q4 '15 GAAP operating margin negatively impacted 2pts. by BK Medical distributor matter.
- **Security & Detection** revenue increased 51% from Q4 '14; non-GAAP operating margin improved on higher revenue.

\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2015 earnings release available at <http://investor.analogic.com>.

# Working Capital and Cash Flow

(Unaudited - in millions)

	Q4 FY15	Q3 FY15	Q4 FY14
<b>Cash and Investments</b>	\$ 123.8	\$ 119.8	\$ 114.5
Accounts receivable	119.3	102.0	106.4
Inventories	132.7	145.3	124.8
Other Working Capital, Net	(51.0)	(52.5)	(56.5)
<b>Non-Cash Working Capital</b>	<b>201.0</b>	<b>194.8</b>	<b>174.7</b>
<b>Net Working Capital</b>	<b>\$ 324.8</b>	<b>\$ 314.6</b>	<b>\$ 289.2</b>

**Cash Flow**  
(Unaudited - in millions)

	Q4 FY15	Q3 FY15	Q4 FY14
Operating Cash Flow from operations	\$ 12.6	\$ 6.8	\$ 4.8
Capital Spending	2.8	2.3	3.5
<b>Free cash flow*</b>	<b>9.8</b>	<b>4.5</b>	<b>1.3</b>
Stock repurchased and dividends paid	4.9	4.5	5.6
<b>Cash flow after stock repurchase and dividends</b>	<b>\$ 5.0</b>	<b>\$ (0.0)</b>	<b>\$ (4.3)</b>

- **Accounts receivable** increased year on year due to timing and volume of year end shipments.
- **Inventory** down sequentially due to higher volume of year end shipments and up year on year to support launch of new Ultrasound products.
- **Operating cash flow** of \$39M for FY15
- **Capital expense** of \$10M in FY15 as compared to \$18M in FY14

\* Free cash flow is defined as operating cash flow minus capital expenditure

# FY16 Plan: Continuing growth trajectory

*Medical stable, Security continued growth, Ultrasound strong growth*

## **Medical Imaging revenue stabilizing and recovering thru the year, expect full year revenue roughly flat**

- Mid-Tier MRI demand from our Chinese OEM customers helps offset overall softening in China
- CT mix shifting towards ruggedized private label systems in China
- Mammography outlook improving on Siemens' FDA Pre-Market Approval for 3D in the US

## **Ultrasound continues strong double-digit revenue growth and delivers improving margins**

- bk3000 guided ultrasound platform drives growth in Urology, expands to Guided Surgery & Point of Care
- Private label offering with a large multi-national partner is on track and accelerates first half of FY16
- Sonic Window initial offering into dialysis, advanced version begins evaluations in broader vascular access market

## **Security and Detection plans for modest growth, coming off a very strong FY15**

- US replacement expected steady at current levels
- International drives growth in high speed with L3 and Smiths securing wins
- Rapid DNA continues with DOD, FBI / law enforcement slowly developing

***FY16 expect continuing revenue growth in the mid-single digits combined with our focus on costs expect to deliver Non-GAAP operating margin expansion of approximately 1 pt.***

# Appendix

# Non-GAAP Statement of Operations Reconciliation

(In thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	July 31, 2015	July 31, 2014	July 31, 2015	July 31, 2014
<b>GAAP Net Revenue</b>	\$ 154,471	\$ 141,997	\$ 540,291	\$ 517,548
Acquisition-related revenues	47	72	188	289
<b>Non-GAAP Net Revenue</b>	<u>\$ 154,518</u>	<u>\$ 142,069</u>	<u>\$ 540,479</u>	<u>\$ 517,837</u>
<b>GAAP Gross Profit</b>	\$ 64,042	\$ 62,329	\$ 229,487	\$ 219,703
Share-based compensation expense	203	243	899	1,023
Acquisition-related revenues and expenses	932	818	3,577	3,302
<b>Non-GAAP Gross Profit</b>	<u>\$ 65,177</u>	<u>\$ 63,390</u>	<u>\$ 233,963</u>	<u>\$ 224,028</u>
Percentage of Total Net Revenue	42.2%	44.6%	43.3%	43.3%
<b>GAAP Operating Expenses</b>	\$ 48,339	\$ 50,378	\$ 188,888	\$ 190,615
Share-based compensation expense	(2,326)	(2,542)	(10,039)	(10,489)
BK Medical distributor matter inquiry related costs	974	(97)	2,378	(1,426)
Restructuring	37	(3,267)	354	(3,483)
Acquisition-related expenses	(1,398)	(1,280)	(5,587)	(5,471)
<b>Non-GAAP Operating Expenses</b>	<u>\$ 45,626</u>	<u>\$ 43,192</u>	<u>\$ 175,994</u>	<u>\$ 169,747</u>
Percentage of Total Net Revenue	29.5%	30.4%	32.6%	32.8%
<b>GAAP Income From Operations</b>	\$ 15,703	\$ 11,951	\$ 40,599	\$ 29,088
Share-based compensation expense	2,530	2,787	10,938	11,512
Acquisition-related revenues and expenses	2,330	2,099	9,164	8,773
BK Medical distributor matter inquiry related costs	974	97	2,378	1,426
Restructuring	(37)	3,267	(354)	3,483
<b>Non-GAAP Income From Operations</b>	<u>\$ 21,500</u>	<u>\$ 20,201</u>	<u>\$ 62,725</u>	<u>\$ 54,282</u>
Percentage of Total Net Revenue	13.9%	14.2%	11.6%	10.5%
<b>GAAP Other Income (Expense), net</b>	\$ 285	(\$ 153)	\$ 434	(\$ 50)
BK Medical distributor matter inquiry related costs	599	-	599	-
Acquisition related loss	-	-	-	484
<b>Non-GAAP Other Income (Expense), net</b>	<u>\$ 884</u>	<u>(\$ 153)</u>	<u>\$ 1,033</u>	<u>\$ 434</u>
Percentage of Total Net Revenue	0.6%	-0.1%	0.2%	0.1%
<b>GAAP Net Income</b>	\$ 10,873	\$ 11,151	\$ 33,481	\$ 34,480
Share-based compensation expense	1,790	2,128	7,687	8,155
Acquisition related revenues, expenses and loss	1,976	1,727	7,741	7,615
BK Medical distributor matter inquiry related costs	1,457	62	2,350	906
Restructuring	(24)	2,110	(225)	2,250
Tax benefit	-	-	-	(8,764)
<b>Non-GAAP Net Income</b>	<u>\$ 16,073</u>	<u>\$ 17,178</u>	<u>\$ 51,034</u>	<u>\$ 44,642</u>
Percentage of Total Net Revenue	10.4%	12.1%	9.4%	8.6%
<b>GAAP Diluted Net Income Per Share</b>	\$ 0.86	\$ 0.89	\$ 2.66	\$ 2.72
Effect of non-GAAP adjustments	0.42	0.47	1.39	0.80
<b>Non-GAAP Diluted Net Income Per Share</b>	<u>1.28</u>	<u>1.36</u>	<u>4.05</u>	<u>3.52</u>

# Non-GAAP Statement of Operations Reconciliation

	31-Oct-13	31-Jan-14	30-Apr-14	31-Jul-14	31-Oct-14	31-Jan-15	30-Apr-15	31-Jul-15
<b>GAAP Net Revenue</b>	110,082	\$ 141,437	\$ 124,032	\$ 141,997	\$ 118,316	\$ 133,945	\$ 133,559	\$ 154,471
Acquisition-related revenues	48	97	72	72	47	47	47	47
<b>Non-GAAP Net Revenue</b>	110,130	\$ 141,534	\$ 124,104	\$ 142,069	\$ 118,363	\$ 133,992	\$ 133,606	\$ 154,518
<b>GAAP Gross Profit</b>	42,936	\$ 61,084	\$ 53,354	\$ 62,329	\$ 51,999	\$ 57,493	\$ 55,953	\$ 64,042
Share-based compensation expense	296	284	200	244	204	245	246	203
Acquisition-related revenues and expenses	1,209	649	626	818	871	884	889	932
<b>Non-GAAP Gross Profit</b>	44,441	\$ 62,017	\$ 54,180	\$ 63,391	\$ 53,074	\$ 58,622	\$ 57,088	\$ 65,177
Percentage of Total Net Revenue	40%	44%	44%	45%	45%	44%	43%	42%
<b>GAAP Operating Expenses</b>	48,301	\$ 48,000	\$ 43,937	\$ 50,378	\$ 47,042	\$ 45,192	\$ 48,316	\$ 48,339
Share-based compensation expense	(2,439)	(2,820)	(2,688)	(2,543)	(2,388)	(2,179)	(3,146)	(2,326)
BK Medical distributor matter inquiry related costs	(331)	(580)	(417)	(97)	(770)	(376)	(258)	974
Restructuring	39	(335)	80	(3,267)	58	152	107	37
Acquisition-related expenses	(1,343)	(1,325)	(1,522)	(1,281)	(1,418)	(1,373)	(1,398)	(1,398)
<b>Non-GAAP Operating Expenses</b>	44,227	\$ 42,940	\$ 39,390	\$ 43,190	\$ 42,524	\$ 41,416	\$ 43,621	\$ 45,626
Percentage of Total Net Revenue	40%	30%	32%	30%	36%	31%	33%	30%
<b>GAAP Income From Operations</b>	(5,365)	\$ 13,084	\$ 9,417	\$ 11,951	\$ 4,957	\$ 12,301	\$ 7,637	\$ 15,703
Share-based compensation expense	2,735	3,104	2,888	2,787	2,592	2,424	3,393	2,530
BK Medical distributor matter inquiry related costs	331	580	417	97	770	376	258	974
Restructuring	(39)	335	(80)	3,267	(58)	(152)	(107)	(37)
Acquisition-related revenues and expenses	2,552	1,974	2,148	2,099	2,290	2,257	2,287	2,330
<b>Non-GAAP Income From Operations</b>	214	\$ 19,077	\$ 14,790	\$ 20,201	\$ 10,551	\$ 17,206	\$ 13,468	\$ 21,500
Percentage of Total Net Revenue	0%	13%	12%	14%	9%	13%	10%	14%
<b>GAAP Other Income (Expense), net</b>	(421)	\$ (357)	\$ 882	\$ (153)	\$ 118	\$ (169)	\$ 201	\$ 285
BK Medical distributor matter inquiry related costs	-	-	-	-	-	-	-	599
Acquisition related loss	484	-	-	-	-	-	-	-
<b>Non-GAAP Other Income (Expense), net</b>	63	\$ (357)	\$ 882	\$ (153)	\$ 118	\$ (169)	\$ 201	\$ 884
Percentage of Total Net Revenue	0%	0%	1%	0%	0%	0%	0%	1%
<b>GAAP Net Income (Loss)</b>	(3,775)	\$ 19,314	\$ 7,790	\$ 11,151	\$ 3,654	\$ 9,830	\$ 9,124	\$ 10,873
Share-based compensation expense	1,852	2,110	2,064	2,128	1,821	1,710	2,366	1,790
BK Medical distributor matter inquiry related costs	245	336	263	62	489	239	165	1,457
Restructuring	(25)	222	(57)	2,110	(37)	(96)	(68)	(24)
Acquisition related revenues, expenses and loss	2,521	1,594	1,772	1,727	1,938	1,903	1,924	1,976
Tax benefit	-	(8,764)	-	-	-	-	-	-
<b>Non-GAAP Net Income</b>	818	\$ 14,812	\$ 11,832	\$ 17,178	\$ 7,865	\$ 13,586	\$ 13,511	\$ 16,073
Percentage of Total Net Revenue	1%	10%	10%	12%	7%	10%	10%	10%
<b>GAAP Diluted Net Income (Loss) Per Share</b>	(0.30)	\$ 1.53	\$ 0.62	\$ 0.89	\$ 0.29	\$ 0.78	\$ 0.72	\$ 0.86
Effect of non-GAAP adjustments	0.36	(0.36)	0.32	0.47	0.34	0.30	0.35	0.42
<b>Non-GAAP Diluted Net Income Per Share</b>	0.06	\$ 1.17	\$ 0.94	\$ 1.36	\$ 0.63	\$ 1.08	\$ 1.07	\$ 1.28

# Non-GAAP Segment Financial Reconciliation

(in thousands, except per share data)

	Three Months Ended							
	31-Oct-13	31-Jan-14	30-Apr-14	31-Jul-14	31-Oct-14	31-Jan-15	30-Apr-15	31-Jul-15
<b>Medical Imaging</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ (471)	\$ 10,863	\$ 8,955	\$ 11,655	\$ 7,395	\$ 9,449	\$ 8,544	\$ 12,516
Share-based compensation expense	1,582	1,749	1,662	1,560	1,165	1,077	1,660	1,008
Restructuring	(54)	(96)	(4)	1,822	(29)	(94)	(66)	(23)
Acquisition related expenses	738	733	850	695	767	744	750	750
<b>Non-GAAP Income From Operations</b>	<b>\$ 1,795</b>	<b>\$ 13,249</b>	<b>\$ 11,463</b>	<b>\$ 15,732</b>	<b>\$ 9,298</b>	<b>\$ 11,176</b>	<b>\$ 10,888</b>	<b>\$ 14,250</b>
Percentage of Total Net Revenue	3%	17%	16%	19%	14%	15%	15%	18%
<b>Ultrasound</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ (4,030)	\$ (735)	\$ (1,313)	\$ (707)	\$ (2,992)	\$ 196	\$ (4,248)	\$ (830)
Share-based compensation expense	656	777	665	697	765	710	913	802
BK Medical distributor matter inquiry related costs	331	580	417	97	770	376	258	974
Restructuring	49	465	(90)	934	(20)	(30)	(21)	(7)
Acquisition related revenues and expenses	1,814	1,241	1,263	1,414	1,512	1,443	1,499	1,500
<b>Non-GAAP Income (Loss) From Operations</b>	<b>\$ (1,180)</b>	<b>\$ 2,328</b>	<b>\$ 942</b>	<b>\$ 2,435</b>	<b>\$ 35</b>	<b>\$ 2,695</b>	<b>\$ (1,599)</b>	<b>\$ 2,440</b>
Percentage of Total Net Revenue	-3%	6%	3%	6%	0%	6%	-4%	5%
<b>Security and Detection</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ (864)	\$ 2,956	\$ 1,775	\$ 1,003	\$ 554	\$ 2,656	\$ 3,341	\$ 4,017
Share-based compensation expense	497	578	561	530	662	637	819	720
Restructuring	(34)	(34)	14	511	(9)	(28)	(19)	(7)
Acquisition related expenses	-	-	35	(10)	11	70	38	81
<b>Non-GAAP Income (Loss) From Operations</b>	<b>\$ (401)</b>	<b>\$ 3,500</b>	<b>\$ 2,385</b>	<b>\$ 2,034</b>	<b>\$ 1,218</b>	<b>\$ 3,335</b>	<b>\$ 4,179</b>	<b>\$ 4,810</b>
Percentage of Total Net Revenue	-3%	16%	16%	12%	9%	18%	18%	18%
<b>Analogic</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ (5,365)	\$ 13,084	\$ 9,417	\$ 11,951	\$ 4,957	\$ 12,301	\$ 7,637	\$ 15,703
Share-based compensation expense	2,735	3,104	2,888	2,787	2,592	2,424	3,393	2,530
BK Medical distributor matter inquiry related costs	331	580	417	97	770	376	258	974
Restructuring	(39)	335	(80)	3,267	(58)	(152)	(107)	(37)
Acquisition related gains and expenses	2,552	1,974	2,148	2,099	2,290	2,257	2,287	2,330
<b>Non-GAAP Income From Operations</b>	<b>\$ 214</b>	<b>\$ 19,077</b>	<b>\$ 14,790</b>	<b>\$ 20,201</b>	<b>\$ 10,551</b>	<b>\$ 17,206</b>	<b>\$ 13,468</b>	<b>\$ 21,500</b>
Percentage of Total Net Revenue	0%	13%	12%	14%	9%	13%	10%	14%



# Impact of non-recurring items on full year GAAP & Non-GAAP EPS

	GAAP EPS		Impact
	FY15	FY14	Fav/(Unfav)
EPS as reported	\$ 2.66	\$ 2.72	\$ (0.06)
Q2 Tax Benefit	-	(0.69)	
Q3 Tax Benefit	(0.24)		
Q4 Tax Benefit	-	(0.17)	
Reserve on BK Medical distributor matter	0.12	-	
<b>Net Impact</b>	<b>\$ 2.54</b>	<b>\$ 1.86</b>	<b>\$ 0.68</b>

	Non-GAAP EPS		Impact
	FY15	FY14	Fav/(Unfav)
EPS as reported	\$ 4.05	\$ 3.52	\$ 0.53
Q3 Tax Benefit	(0.24)	-	
Q4 Tax Benefit	-	(0.17)	
<b>Net Impact</b>	<b>\$ 3.81</b>	<b>\$ 3.35</b>	<b>\$ 0.46</b>