



Fourth Quarter FY2014 Earnings Call

September 15, 2014

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.

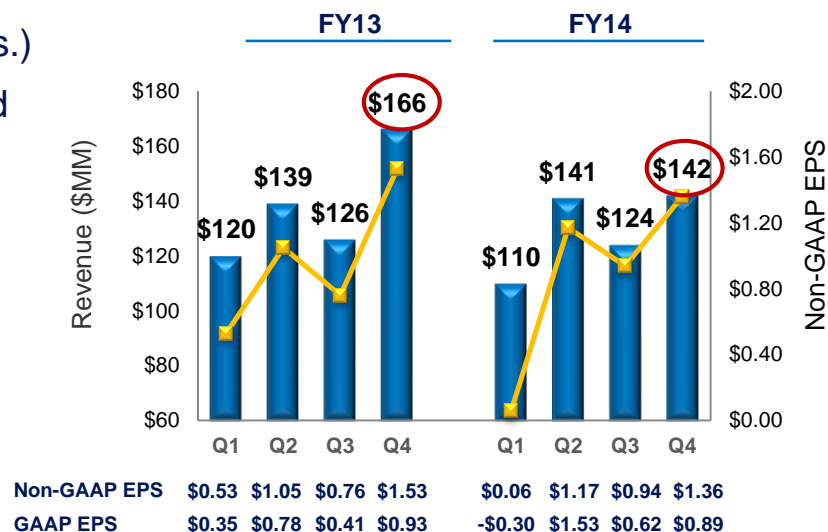
Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material effect on our reported results and, therefore, should not be relied 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 FY2014 press release issued September 15, 2014 available at our website <http://investor.analogic.com>.

Q4 '14 Financial Highlights

Revenue declines annualize; strong FY15 backlog

- **Revenue \$142MM, down 15% from Q4 '13**
 - Medical revenue down 7%, includes exit from Patient Monitor (-3pts.) and lower customer funding (-2pts.)
 - Ultrasound revenue down 8% on fulfillment delays related to order timing
 - Security down 46% from record Q4 '13 on airport delays (Current backlog >\$60MM)
- **Gross Margin 44%, up 4 pts.**
- **GAAP Operating Margin 8%, down 2 pts.**
Includes \$3.3MM (3pts.) restructuring
- **Non-GAAP* Operating Margin 14%, down 3 pts.**
- **GAAP EPS \$0.89, down 4%**
- **Non-GAAP* EPS \$1.36, down 11%**

Revenue and Non-GAAP* EPS



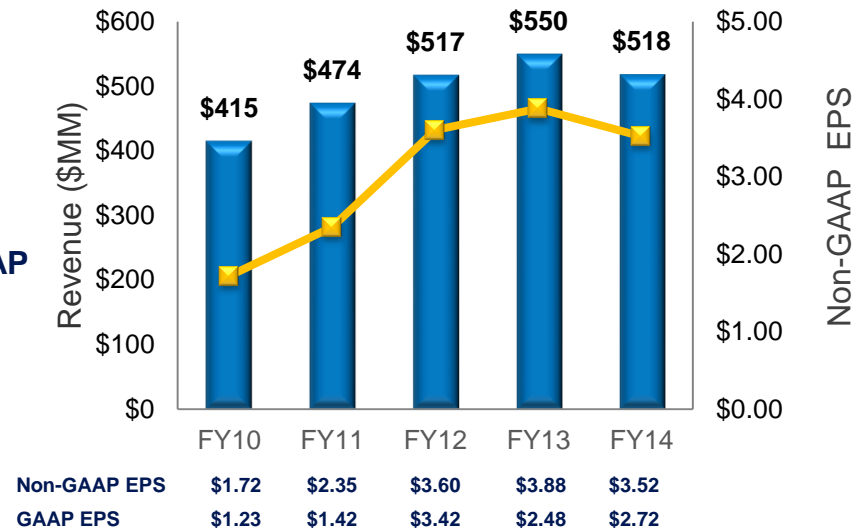
* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2014 earnings release available at <http://investor.analogic.com>.

FY14 Financial Highlights

Revenue decline on exit from non-strategic, low margin lines; strategic shift toward direct business

- **Revenue \$518MM, down 6% from FY13**
 - Exit Patient Monitors (-3pts.)
 - Reduced customer funded engineering (-3pts.)
- **Gross Margin 42%, up 3pts.**
- **GAAP Operating Margin 6%, down 2pts.**
Includes \$3.5MM (1pt.) restructuring, excluded for non-GAAP
- **Non-GAAP* Operating Margin 10%, down 3pts.**
- **GAAP EPS \$2.72, up \$0.24 or 10%**
- **Non-GAAP* EPS \$3.52, down \$0.36, or 9%**
- **Operating Cash Flow \$48MM, up 17%**

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 2014 earnings release available at <http://investor.analogic.com>.

Q4 '14 Business Highlights

Medical Imaging revenue down 7% from Q4 '13

- Included unfavorable impacts from exit of legacy Patient Monitor line and transition to lower levels of customer funded engineering; drags to business annualized in Q4
- CT product revenue and Mammography revenue both increased mid-single digits, offsetting weakness earlier in FY14; MRI shipments stable, declined on prior year timing
- Commercial launch of high value content, low total cost of ownership CT system initially targeted for China market
- Restructured engineering team for improved effectiveness and to align with cost targets



High Value Content CT

Security Technologies revenue down 46% compared to extremely strong prior Q4; strong backlog in FY15

- High speed experienced delays in international tender process
- Medium speed revenue remained steady
- Orders received after quarter end increased backlog above \$60MM
- Increased initial order demand for Rapid DNA



eXaminer® XLB High-Speed EDS System

Q4 '14 Business Highlights (continued)

Ultrasound revenue down 8% on fulfillment delays related to order timing

Point of Care expansion

- Completed integration of Ultrasonix including production and supply chain insourcing, engineering, and point of care direct sales structure
- Commercial launch of Sonix+ with improved reliability and image quality
- Commercial launch of Flex Focus 400a for best in class regional anesthesia

Urology/Surgery/General Imaging

- Production of next generation TriCore™ platform (after quarter ended)
- Commercial launch of our TriCore™ based flagship bk3000™, for premium Urology and Deep Imaging for Guidance and General Ultrasound
- Entered into private label agreement with significant global medical equipment provider that leverages our TriCore™ platform beyond our core markets, further underpins the growth expectations for our Ultrasound business

Advanced Array based Handheld Ultrasound

- Commercial launch of the breakthrough Sonic Window Handheld Ultrasound (after quarter end)
- Evaluation under way in several large hospitals in areas such as ER, Anesthesia, Infusion/Dialysis, Phlebotomy

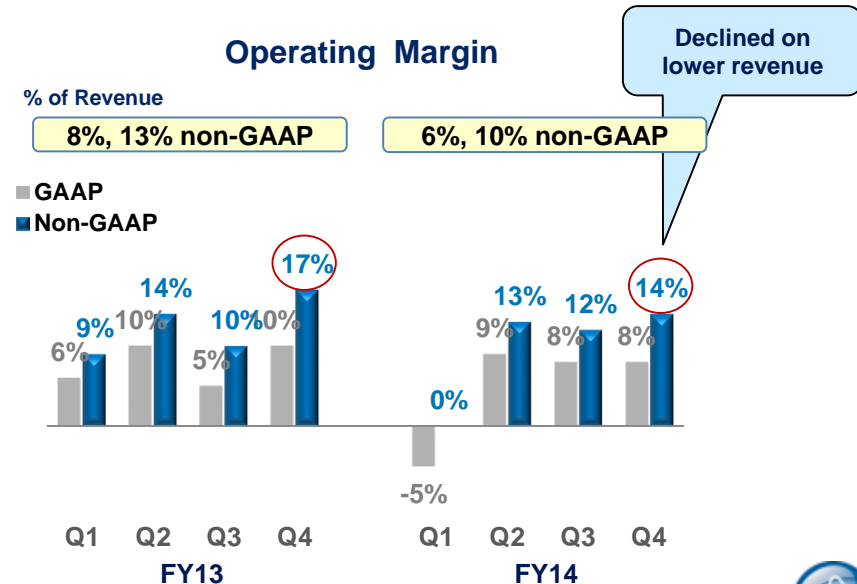
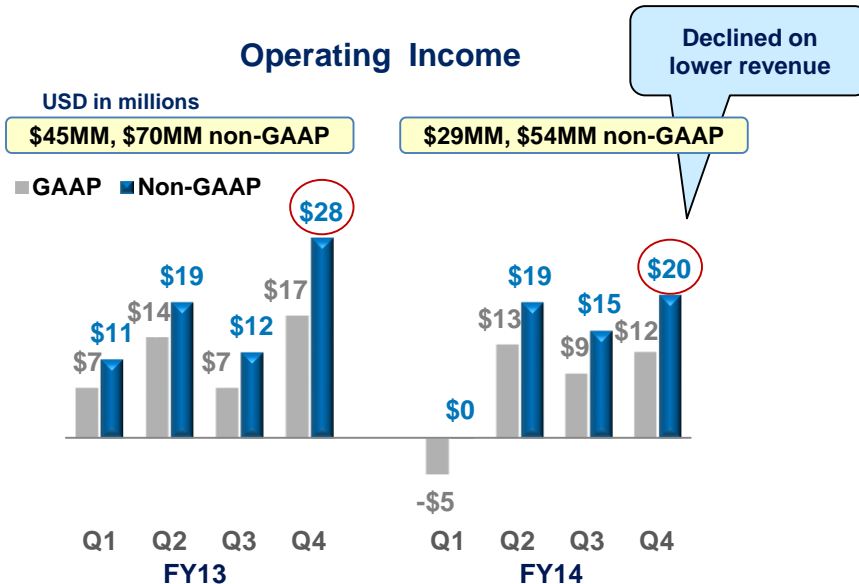
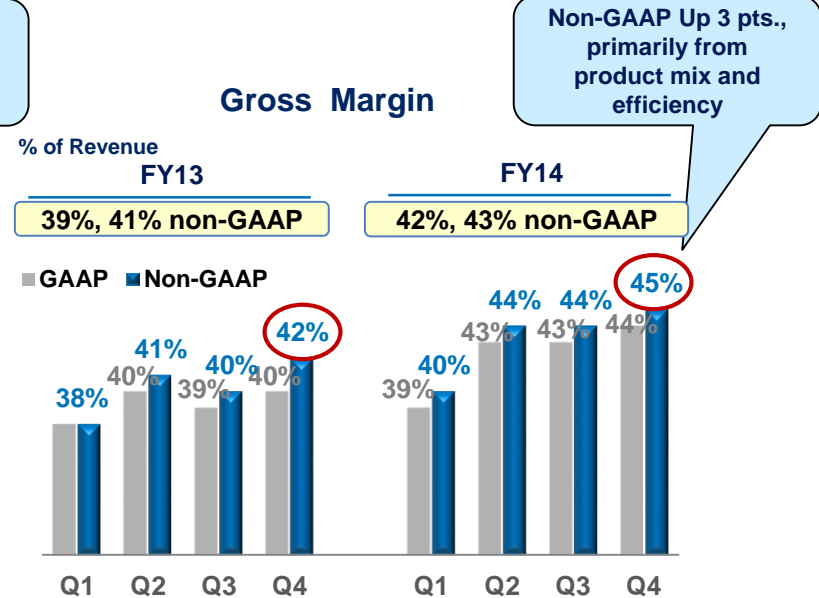
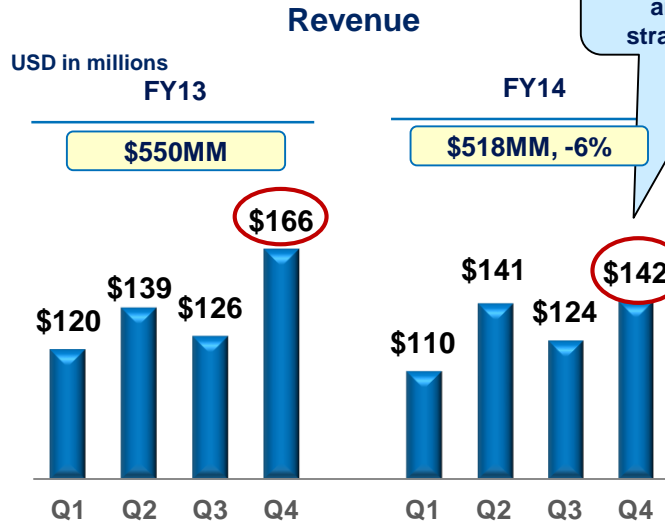


bk3000™



Sonic Window®

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 2014 earnings release available at <http://investor.analogic.com>.

Q4 FY2014 Financial Results

(Unaudited in millions, except per share data)

	GAAP		Non-GAAP	
	Q4 FY14	Q4 FY13	Q4 FY14	Q4 FY13
Products	\$ 139.5	\$ 160.2	\$ 139.6	\$ 160.4
Engineering	2.5	6.0	2.5	6.0
Total Revenue	142.0	166.2	142.1	166.4
Gross Profit	62.3	67.0	63.4	70.7
Gross Margin	44%	40%	45%	42%
Operating Expenses	50.4	49.6	43.2	42.6
Op Ex % of Revenue	35%	30%	30%	26%
Operating Income	11.9	17.4	20.2	28.1
Operating Margin	8%	10%	14%	17%
Other Expense	(0.1)	(0.1)	(0.1)	(0.2)
Income Before Taxes	11.8	17.3	20.1	27.9
Income Tax Provision	0.6	5.6	2.9	8.6
Effective tax rate	5%	32%	14%	31%
Net Income	\$ 11.2	\$ 11.7	\$ 17.2	\$ 19.3
Diluted EPS	\$ 0.89	\$ 0.93	\$ 1.36	\$ 1.53

Revenue down 15% driven by lower Security sales, Engineering revenue, and non-strategic business exit

Gross margin improved on mix and efficiency gains. Q4 '13 GAAP P&L included \$2.2MM non-recurring acquisition cost

Operating expense growth primarily a result of lower customer funded engineering, offsetting lower incentive compensation expense

Favorable tax rate a result of geographic mix and tax benefit of \$2.1MM related to deduction for historic currency losses

Non-GAAP gross margin/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 2014 earnings release available at <http://investor.analogic.com>.

FY2014 Financial Results

(Unaudited in millions, except per share data)

	GAAP		Non-GAAP	
	Twelve Months Ended July 31		Twelve Months Ended July 31	
	FY14	FY13	FY14	FY13
Products	\$ 509.5	\$ 526.7	\$ 509.8	\$ 527.0
Engineering	8.0	23.7	8.0	23.7
Total Revenue	517.5	550.4	517.8	550.7
Gross Profit	219.7	216.7	224.0	223.5
Gross Margin	42%	39%	43%	41%
Operating Expenses	190.6	171.3	169.7	153.5
Op Ex % of Revenue	37%	31%	33%	28%
Operating Income	29.1	45.4	54.3	70.0
Operating Margin	6%	8%	10%	13%
Other Income (Expense)	(0.1)	(1.3)	0.4	(1.3)
Income Before Taxes	29.0	44.1	54.7	68.7
Income Tax Provision (Benefit)	(5.5)	13.0	10.1	19.9
Effective tax rate	-19%	29%	18%	29%
Net Income	\$ 34.5	\$ 31.1	\$ 44.6	\$ 48.8
Diluted EPS	\$ 2.72	\$ 2.48	\$ 3.52	\$ 3.88

Revenue down 6% driven by lower customer-funded engineering, exit of non-strategic product lines, and timing of Security orders

Gross margin improved on mix and efficiency gains and pricing

Operating expense growth related to Q3 '13 Ultrasonix acquisition and lower customer-funded engineering

Favorable tax rate a result of nonrecurring tax benefit of \$8.8MM related to a change in our Canadian operations (benefit excluded from Non-GAAP results) and a tax benefit of \$3.7MM related to deduction for historic currency losses and remeasurement of tax reserves

Non-GAAP gross margin/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 2014 earnings release available at <http://investor.analogic.com>.

Operating Performance by Segment

Revenue \$MM and Non-GAAP* Operating Margin Trend

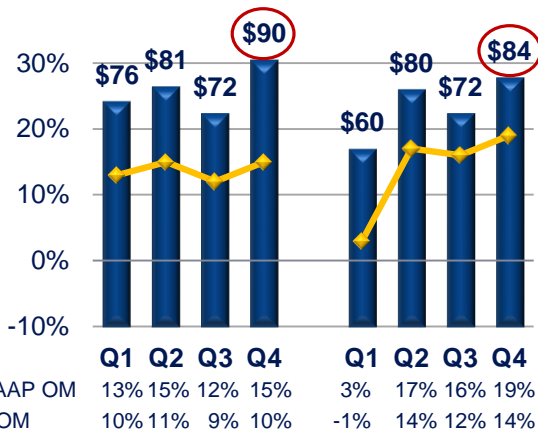
Medical Imaging

FY13

\$319MM

FY14

\$296MM, -7%



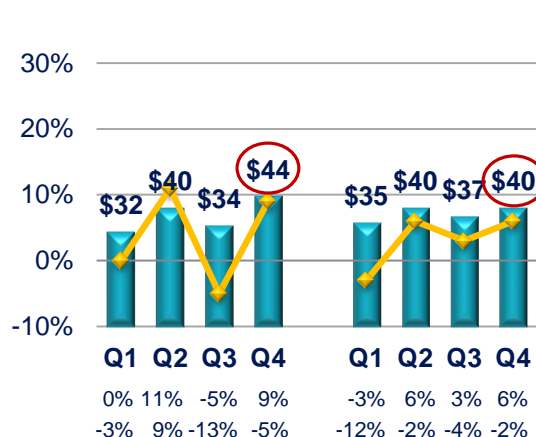
Ultrasound

FY13

\$150MM

FY14

\$152MM, +2%



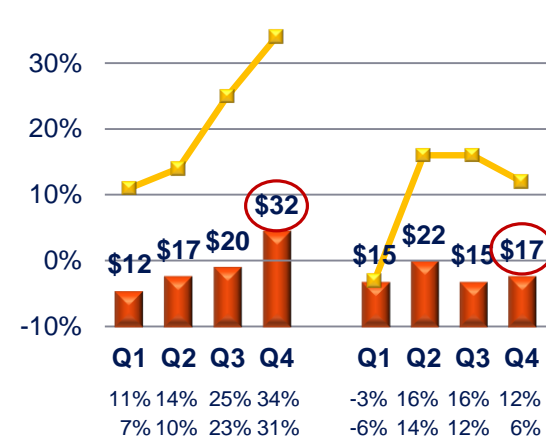
Security

FY13

\$82MM

FY14

\$69MM, -15%



— Non-GAAP Operating Margin*

- **Medical Imaging** revenue was down 7% from Q4 '13 on MRI sales timing compared to very strong Q4 '13, along with the exit of legacy patient monitors (-3pts) and lower customer funded engineering (-2pts); CT and Mammography product sales grew mid-single digits from Q4 '13; strong margin improvement in Q4 '14 on favorable mix and efficiency offset weak Q1 '14
- **Ultrasound** revenue declined 8% from Q4 '13 due to lower Direct sales on fulfillment delays related to order timing; OEM probe sales have stabilized; operating margin down on lower revenue and investment in new platform
- **Security** revenue declined 46% from a very strong Q4 '13 on fewer shipments of high-speed systems on slowdown outside the U.S.; strong backlog coming into FY15; delivered double-digit non-GAAP operating margin in spite of lower customer funded engineering and unfavorable product mix

* Non-GAAP gross margin/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 2014 earnings release available at <http://investor.analogic.com>.

Working Capital and Cash Flow

Working Capital

(Unaudited - in millions)

	Q4 FY14	Q3 FY14	Q4 FY13
Cash and Investments	\$ 114.5	\$ 119.4	\$ 113.0
Accounts receivable	106.4	94.8	113.2
Inventories	124.8	120.4	116.3
Other Working Capital, Net	(56.5)	(60.6)	(72.9)
Non-Cash Working Capital	174.7	154.6	156.6
Net Working Capital	\$ 289.2	\$ 274.0	\$ 269.6

Cash Flow

(Unaudited - in millions)

	Q4 FY14	Q3 FY14	Q4 FY13
Operating Cash Flow from operations	\$ 4.8	\$ 17.6	\$ 30.3
Capital Spending	3.5	5.2	5.7
Free cash flow*	1.3	12.4	24.6
Stock repurchased and dividends paid	5.6	4.8	3.2
Cash flow after stock repurchase and dividends	\$ (4.3)	\$ 7.6	\$ 21.4

- **Cash and Investments** declined from Q3 '14 on higher inventory and A/R due to timing of orders in Q4 '14
- **Operating cash flow** in Q4 '14 declined from Q3 '14 on changes in working capital; Full year FY14 operating cash flow was \$48MM, 17% improvement from FY13
- **Capital expense** in FY14 was \$18MM, down 30% from FY13 following completion of significant infrastructure investments

* Free cash flow is defined as operating cash minus capital spending

Fiscal 2015 Full Year Outlook: Return to Growth

Medical Stabilizes, Security back to growth, Ultrasound accelerates

- **Medical Imaging market flat to declining; we are targeting flat revenue**
 - Exit from patient monitoring & lower customer funding behind us
 - Production launch of new MR amplifiers offsets market headwinds
 - Mammography adds new customers; FDA approval of Siemens 3D tomosynthesis is progressing
 - New high value content, low cost of ownership CT system helps defend against market slowdown
- **Ultrasound team stabilizes with advanced new products, expect above market double-digit growth**
 - Direct sales coverage and new products accelerate growth in Urology, Surgery and Point-of-Care
 - Next generation TriCore™ platform launches premium product for Urology and Deep Imaging General U/S
 - Private label agreement with significant global medical equipment provider underpins growth expectations and allows leverage of TriCore™ platform to additional markets
 - New business areas of Sonic Window and Surgical Guidance begin to accelerate growth
- **Security recovers to double digit growth on expected improved shipment timing**
 - Strong initial backlog shippable in FY15
 - High speed international adoption picking up, numerous large airport tenders to drive long term growth
 - US replacement continues more consistent demand in mid-tier systems
 - Rapid DNA begins to gain traction, positioned for long term acceleration

FY15 is a recovery year, revenue returns to growth, expecting mid-single digit revenue growth and non-GAAP operating margin improving 1-2pts.

Appendix

Non-GAAP Statement of Operations Reconciliation

(In thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	July 31, 2014	July 31, 2013	July 31, 2014	July 31, 2013
GAAP Net Revenue	\$ 141,997	\$ 166,177	\$ 517,548	\$ 550,363
Acquisition-related revenues	72	203	289	305
Non-GAAP Net Revenue	<u>\$ 142,069</u>	<u>\$ 166,380</u>	<u>\$ 517,837</u>	<u>\$ 550,668</u>
GAAP Gross Profit	\$ 62,329	\$ 67,054	\$ 219,703	\$ 216,679
Share-based compensation expense	244	484	1,023	1,935
Acquisition-related costs	818	3,128	3,302	4,937
Non-GAAP Gross Profit	<u>\$ 63,391</u>	<u>\$ 70,666</u>	<u>\$ 224,028</u>	<u>\$ 223,551</u>
Percentage of Total Net Revenue	44.6%	42.5%	43.3%	40.6%
GAAP Operating Expenses	\$ 50,378	\$ 49,629	\$ 190,615	\$ 171,304
Share-based compensation expense	(2,543)	(3,159)	(10,489)	(9,666)
BK distributor matter inquiry related costs	(97)	(471)	(1,426)	(1,210)
Restructuring	(3,267)	(3,023)	(3,483)	(3,519)
Acquisition-related expenses	(1,281)	(367)	(5,471)	(3,373)
Non-GAAP Operating Expenses	<u>\$ 43,190</u>	<u>\$ 42,609</u>	<u>\$ 169,746</u>	<u>\$ 153,536</u>
Percentage of Total Net Revenue	30.4%	25.6%	32.8%	27.9%
GAAP Income From Operations	\$ 11,951	\$ 17,425	\$ 29,088	\$ 45,375
Share-based compensation expense	2,787	3,643	11,512	11,601
BK distributor matter inquiry related costs	97	471	1,426	1,211
Restructuring	3,267	3,023	3,483	3,519
Acquisition-related expenses	2,099	3,495	8,773	8,310
Non-GAAP Income From Operations	<u>\$ 20,201</u>	<u>\$ 28,057</u>	<u>\$ 54,282</u>	<u>\$ 70,016</u>
Percentage of Total Net Revenue	14.2%	16.9%	10.5%	12.7%
GAAP Other Income (Expense), net	(\$ 153)	(\$ 160)	(\$ 50)	(\$ 1,278)
Acquisition related loss	-	-	484	-
Non-GAAP Other Income (Expense), net	<u>(\$ 153)</u>	<u>(\$ 160)</u>	<u>\$ 434</u>	<u>(\$ 1,278)</u>
Percentage of Total Net Revenue	-0.1%	-0.1%	0.1%	-0.2%
GAAP Net Income	\$ 11,151	\$ 11,707	\$ 34,480	\$ 31,121
Share-based compensation expense	2,128	2,546	8,155	8,015
BK distributor matter inquiry related costs	62	303	906	779
Restructuring	2,110	2,000	2,250	2,372
Acquisition related revenues, expenses and	1,727	2,705	7,615	6,486
Tax benefit	-	-	(8,764)	-
Non-GAAP Net Income	<u>\$ 17,178</u>	<u>\$ 19,261</u>	<u>\$ 44,642</u>	<u>\$ 48,773</u>
Percentage of Total Net Revenue	12.1%	11.6%	8.6%	8.9%
GAAP Diluted Net Income Per Share	\$ 0.89	\$ 0.93	\$ 2.72	\$ 2.48
Effect of non-GAAP adjustments	\$ 0.47	0.60	\$ 0.80	\$ 1.40
Non-GAAP Diluted Net Income Per Share	<u>\$ 1.36</u>	<u>\$ 1.53</u>	<u>\$ 3.52</u>	<u>\$ 3.88</u>

Non-GAAP Statement of Operations Reconciliation

(In thousands, except per share data)

	Three Months Ended								
	31-Oct-12	31-Jan-13	30-Apr-13	31-Jul-13	31-Oct-13	31-Jan-14	30-Apr-14	31-Jul-14	
GAAP Net Revenue	\$ 19,867	\$ 138,554	\$ 125,765	\$ 166,177	\$ 110,082	\$ 141,437	\$ 124,032	\$ 141,997	
Acquisition-related revenues	-	-	102	203	48	97	72	72	
Non-GAAP Net Revenue	\$ 19,867	\$ 138,554	\$ 125,867	\$ 166,380	\$ 110,130	\$ 141,534	\$ 124,104	\$ 142,069	
GAAP Gross Profit	\$ 45,086	\$ 55,399	\$ 49,140	\$ 67,054	\$ 42,936	\$ 61,084	\$ 53,354	\$ 62,329	
Share-based compensation expense	564	537	350	484	296	284	200	244	
Acquisition-related costs	303	303	1203	3,128	1,209	649	626	818	
Non-GAAP Gross Profit	\$ 45,953	\$ 56,239	\$ 50,693	\$ 70,666	\$ 44,441	\$ 62,017	\$ 54,180	\$ 63,391	
Percentage of Total Net Revenue	38%	41%	40%	42%	40%	44%	44%	45%	
GAAP Operating Expenses	\$ 37,651	\$ 41,596	\$ 42,428	\$ 49,629	\$ 48,301	\$ 48,000	\$ 43,937	\$ 50,378	
Share-based compensation expense	(2,080)	(2,773)	(1,654)	(3,159)	(2,439)	(2,820)	(2,688)	(2,543)	
BK distributor matter inquiry related costs	(75)	(330)	(335)	(471)	(331)	(580)	(417)	(97)	
Restructuring	-	-	(496)	(3,023)	39	(335)	80	(3,267)	
Acquisition-related expenses	(438)	(1,125)	(1,443)	(367)	(1,343)	(1,325)	(1,522)	(1,281)	
Non-GAAP Operating Expenses	\$ 35,058	\$ 37,368	\$ 38,500	\$ 42,609	\$ 44,227	\$ 42,940	\$ 39,390	\$ 43,190	
Percentage of Total Net Revenue	29%	27%	31%	26%	40%	30%	32%	30%	
GAAP Income From Operations	\$ 7,435	\$ 13,803	\$ 6,712	\$ 17,425	\$ (5,365)	\$ 13,084	\$ 9,417	\$ 11,951	
Share-based compensation expense	2,644	3,310	2,004	3,643	2,735	3,104	2,888	2,787	
BK distributor matter inquiry related costs	75	330	335	471	331	580	417	97	
Restructuring	-	-	496	3,023	(39)	335	(80)	3,267	
Acquisition-related expenses	741	1,428	2,646	3,495	2,552	1,974	2,148	2,099	
Non-GAAP Income From Operations	\$ 10,895	\$ 18,871	\$ 12,193	\$ 28,057	\$ 214	\$ 19,077	\$ 14,790	\$ 20,201	
Percentage of Total Net Revenue	9%	14%	10%	17%	0%	13%	12%	14%	
GAAP Other Income (Expense), net	\$ (906)	\$ (402)	\$ 190	\$ (160)	\$ (421)	\$ (357)	\$ 882	\$ (153)	
Acquisition related loss	-	-	-	-	484	-	-	-	
Non-GAAP Other Income (Expense), net	\$ (906)	\$ (402)	\$ 190	\$ (160)	\$ 63	\$ (357)	\$ 882	\$ (153)	
Percentage of Total Net Revenue	-1%	0%	0%	0%	0%	0%	1%	0%	
GAAP Net Income (Loss)	\$ 4,381	\$ 9,809	\$ 5,224	\$ 11,707	\$ (3,775)	\$ 19,314	\$ 7,790	\$ 11,151	
Share-based compensation expense	1,821	2,216	1,432	2,546	1,852	2,110	2,064	2,128	
BK distributor matter inquiry related costs	49	212	215	303	245	336	263	62	
Restructuring	-	-	372	2,000	(25)	222	(57)	2,110	
Acquisition related revenues, expenses and loss	478	921	2,382	2,705	2,521	1,594	1,772	1,727	
Tax benefit	-	-	-	-	-	(8,764)	-	-	
Non-GAAP Net Income	\$ 6,729	\$ 13,158	\$ 9,625	\$ 19,261	\$ 818	\$ 14,812	\$ 11,832	\$ 17,178	
Percentage of Total Net Revenue	6%	9%	8%	12%	1%	10%	10%	12%	
GAAP Diluted Net Income (Loss) Per Share	0.35	\$ 0.78	\$ 0.41	\$ 0.93	\$ (0.30)	\$ 1.53	\$ 0.62	\$ 0.89	
Effect of non-GAAP adjustments	0.18	0.27	0.35	0.60	0.36	(0.36)	0.32	0.47	
Non-GAAP Diluted Net Income Per Share	\$ 0.53	\$ 1.05	\$ 0.76	\$ 1.53	\$ 0.06	\$ 1.17	\$ 0.94	\$ 1.36	

Non-GAAP Segment Financial Reconciliation

(in thousands, except per share data)

	Three Months Ended							
	31-Oct-12	31-Jan-13	30-Apr-13	31-Jul-13	31-Oct-13	31-Jan-14	30-Apr-14	31-Jul-14
Medical Imaging								
GAAP Income (Loss) from Operations	\$ 7,399	\$ 8,535	\$ 6,506	\$ 9,424	\$ (471)	\$ 10,863	\$ 8,955	\$ 11,655
Share-based compensation expense	1,581	2,101	1,179	2,203	1,582	1,749	1,662	1,560
Restructuring	-	-	-	1,099	(54)	(96)	(4)	1,822
Acquisition related expenses	733	1,195	1,110	502	738	733	850	695
Non-GAAP Income From Operations	\$ 9,713	\$ 11,831	\$ 8,795	\$ 13,228	\$ 1,795	\$ 13,249	11,463	15,732
Percentage of Total Net Revenue	13%	15%	12%	15%	3%	17%	16%	19%
Ultrasound								
GAAP (Loss) Income from Operations	\$ (794)	\$ 3,527	\$ (4,422)	\$ (2,046)	\$ (4,030)	\$ (735)	(1,313)	(707)
Share-based compensation expense	593	585	442	788	656	777	665	697
BK Medical distributor matter inquiry related costs	75	330	335	471	331	580	417	97
Restructuring	-	-	496	1,713	49	465	(90)	934
Acquisition related revenues and expenses	8	108	1,436	3,056	1,814	1,241	1,263	1,414
Non-GAAP Income (Loss) From Operations	\$ (118)	\$ 4,550	\$ (1,713)	\$ 3,982	\$ (1,180)	\$ 2,328	942	2,435
Percentage of Total Net Revenue	0%	11%	-5%	9%	-3%	6%	3%	6%
Security Technology								
GAAP Income (Loss) from Operations	\$ 830	\$ 1,741	\$ 4,628	\$ 10,047	\$ (864)	\$ 2,956	1,775	1,003
Share-based compensation expense	470	624	382	652	497	578	561	530
Restructuring	-	-	-	211	(34)	(34)	14	511
Acquisition related expenses	-	125	101	(63)	-	-	35	(10)
Non-GAAP Income (Loss) From Operations	\$ 1,300	\$ 2,490	\$ 5,111	\$ 10,847	\$ (401)	\$ 3,500	2,385	2,034
Percentage of Total Net Revenue	11%	14%	25%	34%	-3%	16%	16%	12%
Analogic								
GAAP Income (Loss) from Operations	\$ 7,435	\$ 13,803	\$ 6,712	\$ 17,425	\$ (5,365)	\$ 13,084	9,417	11,951
Share-based compensation expense	2,644	3,310	2,004	3,643	2,735	3,104	2,888	2,787
BK Medical distributor matter inquiry related costs	75	330	335	471	331	580	417	97
Restructuring	-	-	496	3,023	(39)	335	(80)	3,267
Acquisition related gains and expenses	741	1,428	2,646	3,495	2,552	1,974	2,148	2,099
Non-GAAP Income From Operations	\$ 10,895	\$ 18,871	\$ 12,193	\$ 28,057	\$ 214	\$ 19,077	14,790	20,201
Percentage of Total Net Revenue	9%	14%	10%	17%	0%	13%	12%	14%

Non-GAAP Statement of Operations Reconciliation

(In thousands, except per share data)

	Twelve months Ended				
	July 31, 2010	July 31, 2011	July 31, 2012	July 31, 2013	July 31, 2014
GAAP Income From Operations	\$ 21,320	\$ 20,736	\$ 39,963	\$ 45,375	\$ 29,088
Share-based compensation expense	5,791	9,638	13,396	11,601	11,512
B-K distributor matter inquiry related costs	-	-	1,288	1,211	1,426
Tax refunds and related charges	-	-	2,714	-	-
Restructuring	690	7,066	-	3,519	3,483
Acquisition related gains and expenses	2,931	2,377	3,183	8,310	8,773
Non-GAAP Income From Operations	\$ 30,732	\$ 39,817	\$ 60,544	\$ 70,016	\$ 54,282
Percentage of Total Net Revenue	7%	8%	12%	13%	10%
 GAAP Net Income	 \$ 15,555	 \$ 17,833	 \$ 43,071	 \$ 31,121	 \$ 34,480
Share-based compensation expense	3,870	6,583	9,179	8,015	8,155
B-K distributor matter inquiry related costs	-	-	830	779	906
Tax refunds and related charges	-	-	(8,285)	-	-
Restructuring	438	4,903	-	2,372	2,250
Acquisition related gains and expenses	1,860	1,146	2,101	6,486	7,615
Gain on sale of other investments and other	-	-	(1,603)	-	-
Gain on sale of discontinued operation	-	(924)	-	-	-
Tax benefit	-	-	-	-	(8,764)
Non-GAAP Net Income	\$ 21,723	\$ 29,541	\$ 45,293	\$ 48,773	\$ 44,642
Percentage of Total Net Revenue	5%	6%	9%	9%	9%
 GAAP Diluted Net Income Per Share	 \$ 1.23	 \$ 1.42	 \$ 3.42	 \$ 2.48	 \$ 2.72
Effect of non-GAAP adjustments	0.49	0.93	0.18	1.40	0.80
Non-GAAP Diluted Net Income Per Share	\$ 1.72	\$ 2.35	\$ 3.60	\$ 3.88	\$ 3.52