

SECOND QUARTER 2012

ExpertRECALL

QUARTERLY RECALL INDEX



Overview

The ExpertRECALL Index tracks recall activity and trends in five product categories: medical devices, pharmaceuticals, food, consumer products and children's and infant products. Highlights of recall activity in the second quarter of 2012 included:

123.5
million
medical device units were recalled, according to the FDA Enforcement Reports.

12
million
prescription drugs were recalled, meaning 80 percent of affected pharmaceutical units reported were Rx medications.

40
percent
of food recalls were due to undeclared allergens or other allergen concerns, making it the leading cause and continuing an eight-quarter trend.

35
percent
quarter-over-quarter increase in reported consumer product safety incidents.

60
percent
increase in recalls affecting child nursery equipment and supplies; reaching a four-quarter high.

Recall Index - Second Quarter 2012

How the ExpertRECALL Index is Compiled

The ExpertRECALL Index gathers and tracks cumulative data from the two primary federal agencies that oversee recalls in the United States: the Consumer Product Safety Commission (CPSC) and the Food and Drug Administration (FDA). Recall trends are calculated from FDA Enforcement Reports and news releases published on agency websites.

FDA Data

To track trends in food, pharmaceutical, and medical device recalls, the ExpertRECALL Index uses information publicly available in news releases posted on the FDA website. For additional insight into recalls governed by the FDA, Stericycle ExpertRECALL collects and analyzes data from the agency's weekly Enforcement Reports, which provide additional details, including recall class, quantity of units affected, and number of reported incidents.

CPSC Data

For further insight into consumer product recall trends, Stericycle ExpertRECALL analyzes information data from CPSC recall announcements. When compiling statistics and analyzing trends for consumer product recalls, the ExpertRECALL Index uses standard product categories and hazards recognized by the CPSC.

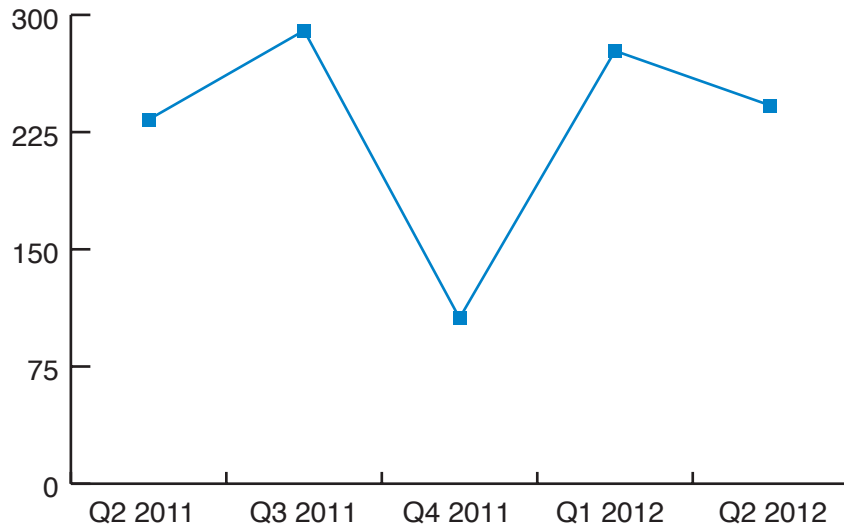
Terminology

Announced recalls represent events documented in news releases published on agency websites. Enforced recalls refer to events documented in weekly FDA Enforcement Reports. Their documentation can lag behind announced recalls by weeks or even months because a recall process may take time to complete.

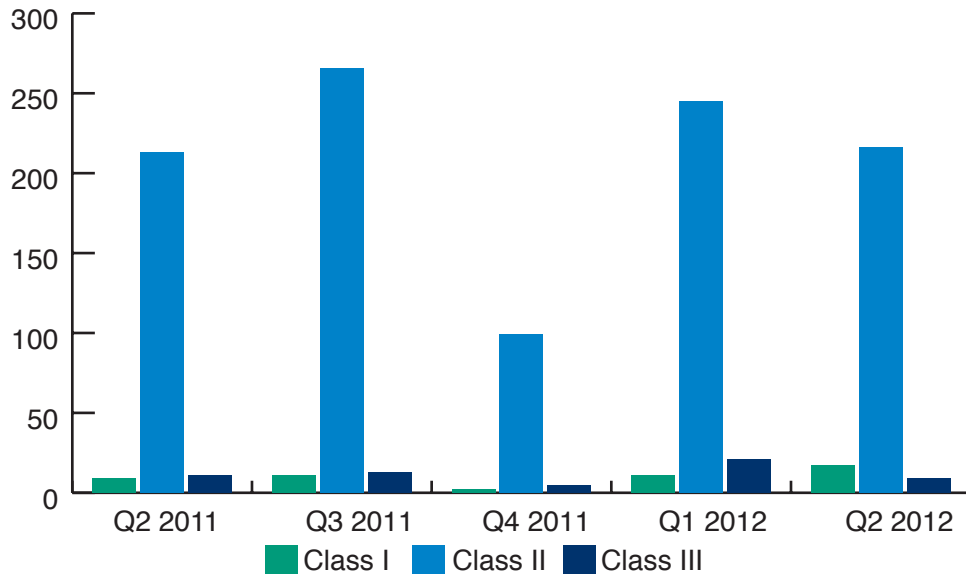
A Class I recall, according to the FDA, is a situation in which there is a reasonable probability that the product will cause serious adverse health consequences or death. A Class II recall is a situation in which the product could cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote. The FDA defines a Class III recall as a situation in which the product is not likely to cause adverse health consequences.

Medical Devices

Medical Device Recalls
According to FDA Enforcement Reports



Medical Device Recalls by Class
According to FDA Enforcement Reports



FDA Enforcement Reports for the second quarter of 2012 documented 242 medical device recalls, down from 277 in the first quarter. This reflects a 13 percent decrease in recalls compared with the previous quarter and a 4 percent increase in the number of recalls the same quarter last year.

The 242 medical device recalls announced during the second quarter affected nearly 123.5 million units, compared with nearly 82 million units affected by recalls in the previous quarter. This reflects an eight-quarter high, breaking 100 million units for the first time since the third quarter of 2010. Three of these recalls affected more than 10 million units. Second quarter 2012 recalls affected 50 percent more units compared to the previous quarter and almost eight times as many units as recalls documented in the second quarter of 2011.

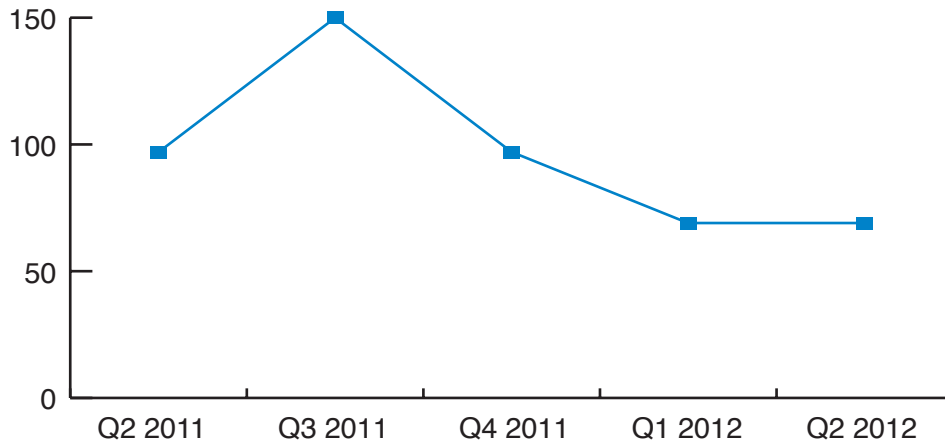
Medical device recalls documented during the second quarter of 2012 affected customers in the U.S. and overseas. Of the documented recalls, 70 affected customers nationwide. Of second quarter recalls, 161 affected customers in the U.S. and at least one other country or territory. Ten recalls affected U.S. customers in limited geographic regions. One recall affected only customers outside of the U.S.

The ExpertRECALL Index also revealed the following:

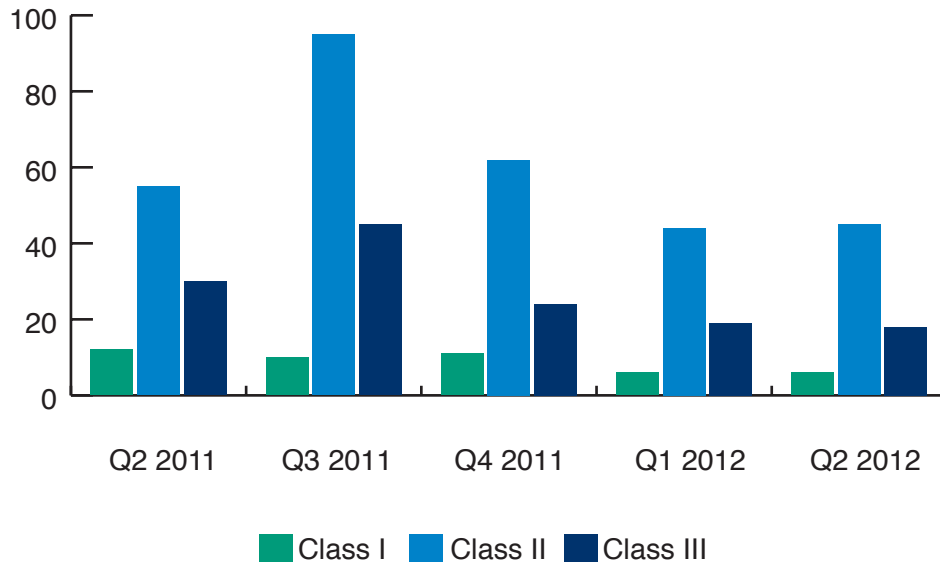
- In the second quarter, 142 companies were affected by at least one recall. Of these companies, nearly one-third faced more than one recall.
- Seven percent of recalls in the second quarter of 2012 were classified as Class I, up from 4 percent of recalls with the same classification in the first quarter of 2012.
- Class I recalls in the second quarter affected less than one percent of recalled units.

Pharmaceuticals

Pharmaceutical Recalls
According to FDA Enforcement Reports



Pharmaceutical Recalls by Class
According to FDA Enforcement Reports



FDA Enforcement Reports documented 69 pharmaceutical recalls during the second quarter of 2012, maintaining the same level of activity documented in the first quarter of 2012. While the number of recalls documented in the last two quarters remained unchanged, second quarter recalls affected one-tenth the number of units documented in the first quarter. This represents a 90 percent decrease in affected units reported over the previous quarter and a 58 percent decrease over the same quarter of 2011.

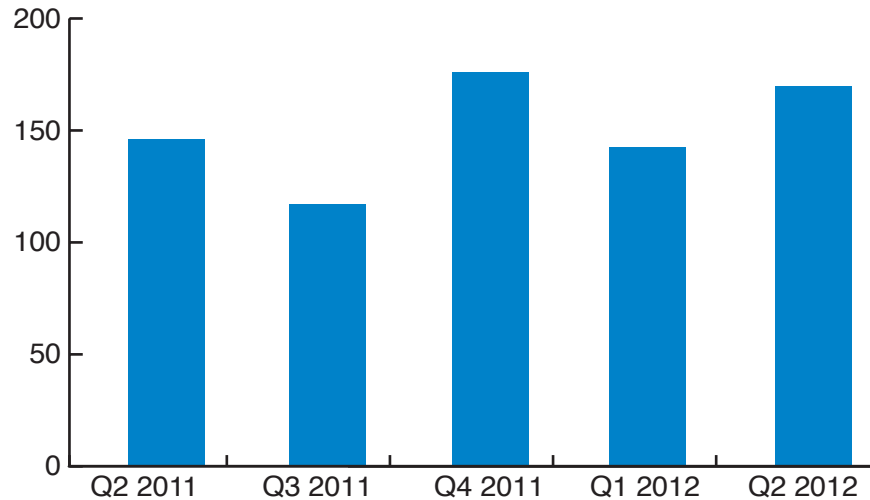
Six recalls were designated as Class I recalls, 45 were classified as Class II recalls and 18 were given Class III status. Of the Class I recalls, two affected over-the-counter (OTC) products and four affected prescription medications. Six Class II recalls and three Class III recalls affected OTC products while 39 Class II recalls and 15 Class III recalls affected prescription medications.

Pharmaceutical recalls in the second quarter affected customers both in the U.S. and overseas. Of the 69 recalls documented in the second quarter, 36 affected customers nationwide. Twenty-two recalls affected customers in the U.S. and at least one other country or territory. Eleven recalls affected U.S. customers, but only in limited geographic areas.

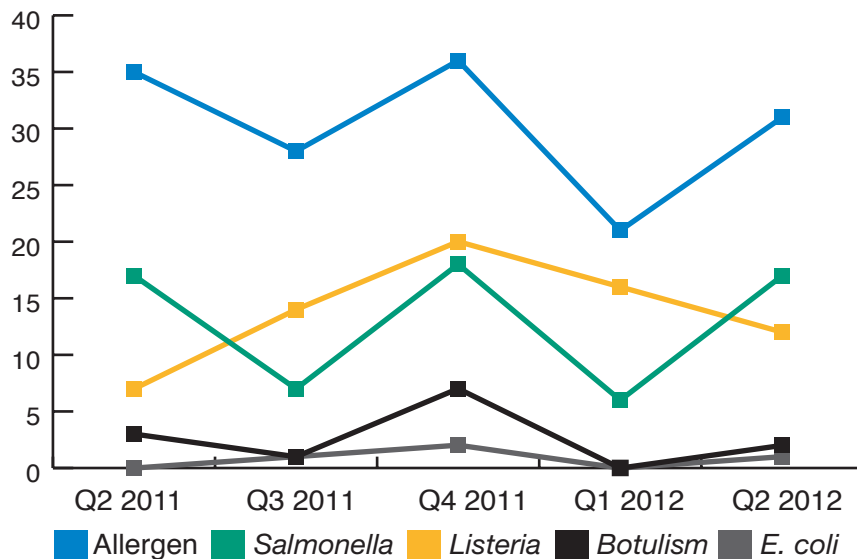
The ExpertRECALL Index analysis also revealed the following:

- Prescription drugs were the most affected by second quarter recalls, involving more than 12 million units, or 80 percent of all units recalled.
- Of second quarter recalls, 58 affected prescription drugs and 11 affected OTC medications.
- According to FDA Enforcement Reports, six recalls affected between 1 million and 5 million units; five recalls affected between 500,000 and 1 million units while the remaining recalls affected fewer than 500,000 units.
- Recalls documented in the second quarter affected 46 companies, with 13 companies facing more than one recall.
- Eight percent of recalls were designated as Class I recalls. These recalls affected less than 1 percent of all units recalled.

Food Recalls by Quarter
According to FDA Enforcement Reports



Leading Causes of Food Recalls
According to Recall Announcements on FDA Website



FDA Enforcement Reports documented 169 food recalls in the second quarter of 2012, representing a 19 percent increase compared with the previous quarter. Recall activity in the second quarter of 2012 also reflects a 16 percent increase in recalls compared with the same quarter in 2011.

Recalls documented in the second quarter were initiated by 156 companies. Twelve companies faced more than one recall. No company faced more than three recalls.

Second quarter recalls affected more than 5 million units, representing the fewest number of units affected by recalls in the last four quarters. This reflects a 23 percent decrease in units affected compared with the previous quarter. Two recalls affected between 500,000 and 1 million units. The remainder affected fewer than 500,000 units.

Of second quarter recalls, 34 affected customers nationwide. Twenty-one recalls affected customers in the U.S. and at least one other country or territory. Four recalls affected only international customers. More than half of recalls affected U.S. customers in only certain states.

Of recalls documented in FDA enforcement reports during the second quarter, 44 percent were listed as Class I, 42 percent were listed as Class II and 14 percent were listed as Class III. Class I recalls affected one-quarter of all recalled units.

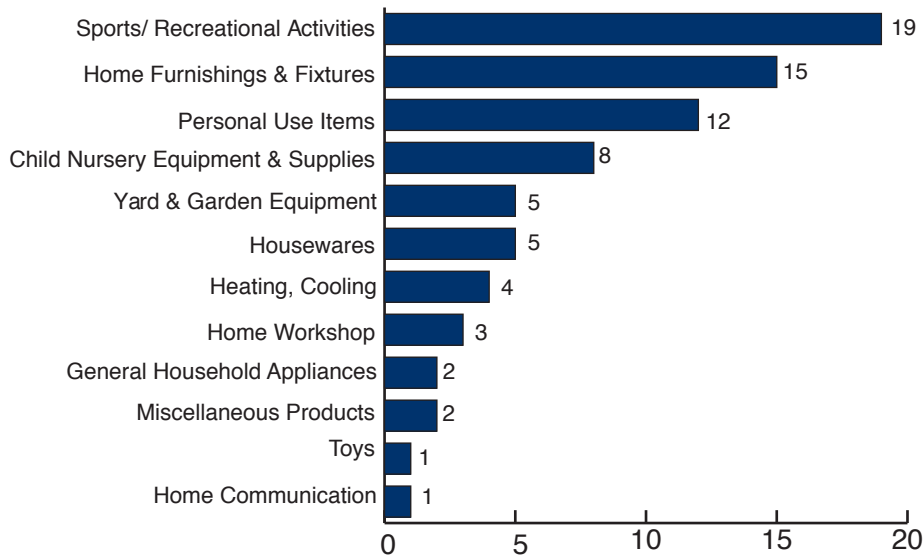
The ExpertRECALL Index also analyzed FDA recall announcements which revealed the following:

- Undeclared allergens or other allergen concerns remained the primary cause of recalls during the second quarter, accounting for nearly 40 percent of food recalls initiated.
- Foodborne illness concerns accounted for an additional 40 percent of recalls initiated during the second quarter, with Salmonella and Listeria being the most common reasons.

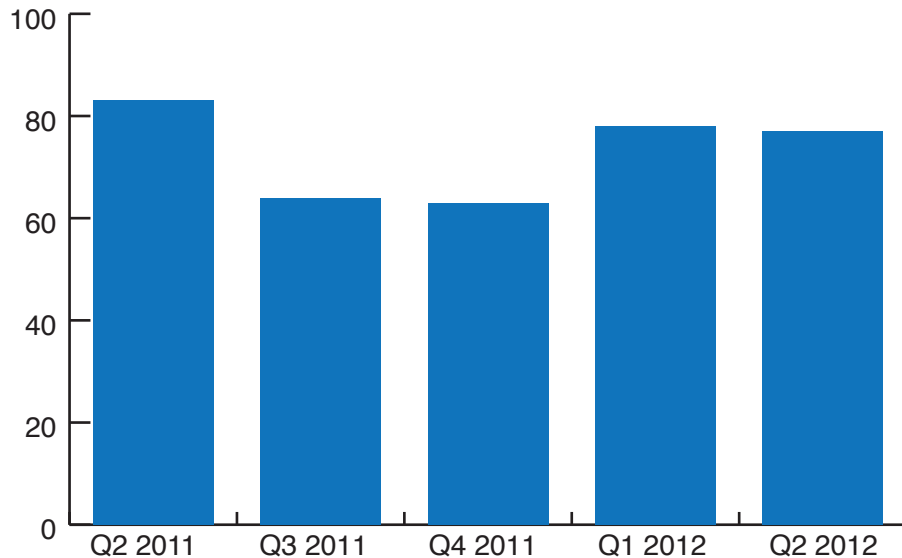
Recall Index - Second Quarter 2012

Consumer Products

CPSC Recalls by Product Category
In the Second Quarter of 2012



Consumer Product Recalls by Quarter



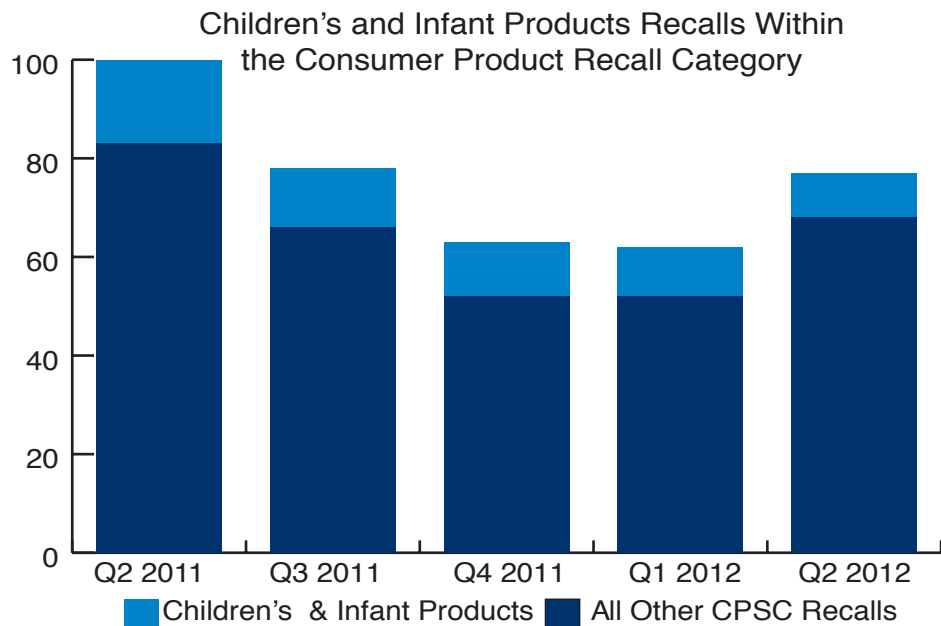
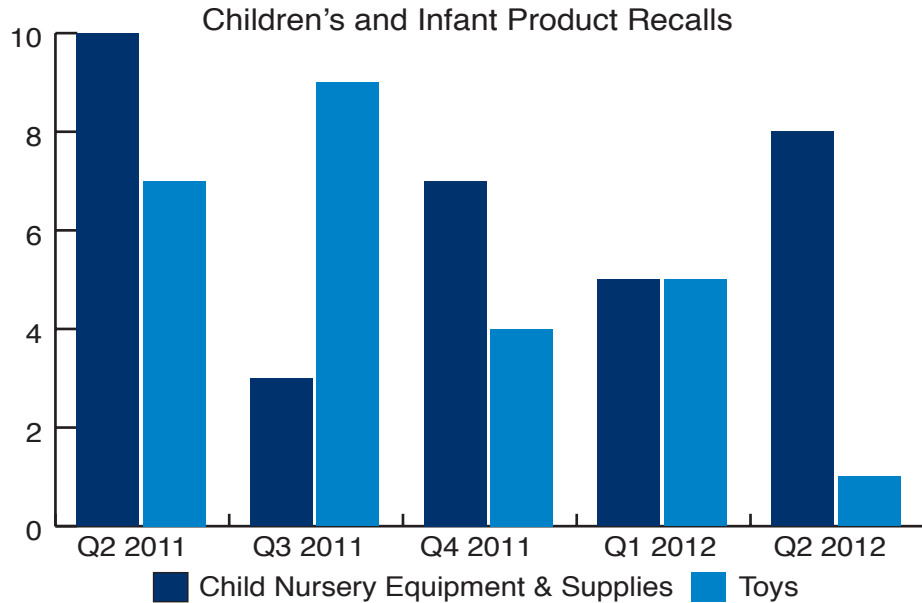
Seventy-seven consumer product recalls were initiated at the recommendation of the CPSC in the second quarter of 2012, down slightly from 78 recalls announced the previous quarter. Second quarter recalls affected about 7.5 million units compared with nearly 36 million units in the first quarter.

While the number of affected units decreased significantly, recalled products in the second quarter were responsible for 3,202 reported product safety incidents, compared with 1,129 incidents that occurred last quarter. Of the reported incidents, 154 resulted in injury. Two resulted in deaths.

During the second quarter, the CPSC initiated more recalls than the previous quarter in the child nursery equipment and supplies; sports and recreational equipment; personal use items; home workshop apparatus and tools; and general household appliance categories.

The ExpertRECALL Index analysis also revealed the following:

- Structural issues were the leading cause of recalls during the second quarter. Entrapment and strangulation risks were the second-leading causes.
- During the second quarter, 76 companies initiated recalls. Only one company was affected by more than one recall.
- The CPSC did not recall any products in the product packaging and containers; home and family maintenance products.
- Recalls in the child and nursery equipment and supplies; personal items; and sports and recreational equipment categories reached four-quarter highs.
- Recalled housewares products were responsible for the most product safety incidents with 1,347 events reported. Recalled sports and recreational products were responsible for 859 product safety incidents.
- Two deaths were reported in connection with recalled products in the second quarter. One death was reported in connection with a recall of a nursery equipment and supplies product. The second was related to a recall of a sports and recreational product.



Recalls of children's and infant products initiated at the request of the CPSC reached a six-quarter low with nine recalls during the second quarter of 2012. However, recalls of child nursery equipment and supplies increased from five recalls in the first quarter to eight recalls in the second quarter. Conversely, toy recalls decreased from five recalls to just one recall. Of the fifteen product categories recognized by the CPSC, these two accounted for just 12 percent of all recalls in the second quarter and affected approximately 1.4 million units.

While the total number of children's and infant product recalls decreased 10 percent compared with the previous quarter, recalls of child nursery equipment and supplies in the second quarter increased 60 percent. Toy recalls decreased 80 percent from the first quarter to the second quarter.

The primary causes of children's and infant product recalls were the choking risk associated with small parts, entrapment or strangulation risks and laceration hazards. Each risk prompted two recalls. Risks associated with structural collapse, drowning and falling each prompted one recall.

The ExpertRECALL Index analysis also revealed the following:

- Eight companies initiated recalls in the second quarter, with one company experiencing two recalls.
- Recalled children's and infant products were responsible for 457 reported product safety incidents and 22 injuries in the second quarter, doubling the numbers associated with first quarter recalls. One product recall in the category was also linked to one death.
- One recall affected more than 500,000 units but fewer than 1 million units. The remaining eight recalls affected fewer than 500,000 units.
- Two recalls in the second quarter affected products distributed and sold two or more years ago.