

SECOND QUARTER 2011

ExpertRECALL
QUARTERLY RECALL INDEX



Overview

The ExpertRECALL Index tracks aggregate recall activity and trends in five product categories: medical devices, pharmaceuticals, food, consumer products and children's products. Highlights of recall activity in the second quarter of 2011 included:

98

percent

of all medical device units recalled were classified as Class II.

35

million

units were recalled by pharmaceutical companies in the second quarter of 2011.

45

percent

of food recalls announced by the FDA were the result of allergen concerns, the largest percentage in five quarters.

20

percent

decrease in the number of units recalled by the CPSC compared with the first quarter of 2011.

587

incidents

reported in connection with children's and infant products.

Recall Index - Second Quarter 2011

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 Food and Drug Administration (FDA) and the Consumer Product Safety Commission (CPSC). 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 and posted on the FDA website.

CPSC Data

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

Terminology

Recalls represent events documented in news releases published on agency websites and events documented in agency enforcement reports.

According to the FDA, Class I recall involves 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.

Recall Index - Second Quarter 2011

Medical Devices

During the second quarter of 2011, FDA Enforcement Reports documented 233 medical device recalls involving nearly 16 million units. This reflects a 27 percent decrease in recalls over the previous quarter, but a 38 percent increase in the number of recalls over the same quarter last year. The first quarter of 2011 saw 322 recalls involving more than 43 million units. There were ten recalls in the second quarter that involved more than 100,000 units.

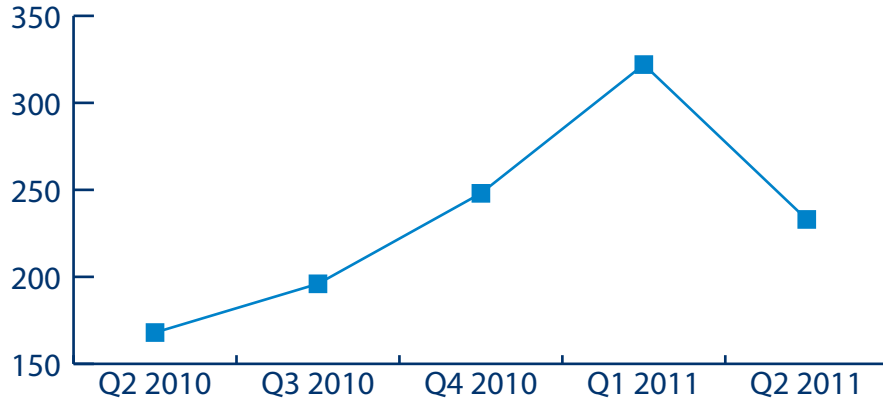
Medical device recalls documented during the second quarter of 2011 affected consumers in the U.S. and overseas. More than 80 percent of recalls affected consumers in the U.S. Nearly 170 recalls affected both domestic and international consumers. Three recalls affected only international consumers during the second quarter.

The ExpertRECALL Index also revealed the following:

- Medical device recalls in the second quarter of 2011 declined for the first time in the past five quarters.
- Second quarter recalls affected the fewest units in the past five quarters.
- More than 30 companies initiated more than one recall in the second quarter.
- Only four percent of recalls in the second quarter of 2011 were classified as Class I.
- Ninety percent of medical device recalls in the second quarter were classified as Class II recalls, accounting for almost 98 percent of all units recalled.

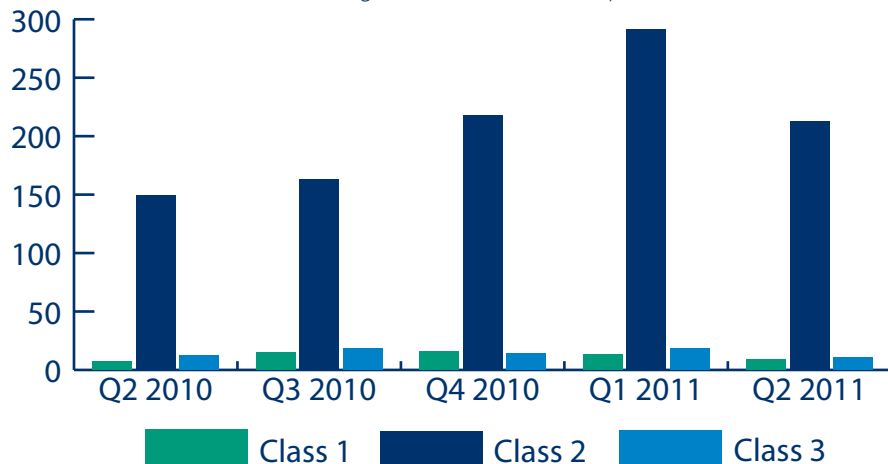
Medical Device Recalls

According to FDA Enforcement Reports



Medical Device Recalls by Class

According to FDA Enforcement Reports



Recall Index - Second Quarter 2011

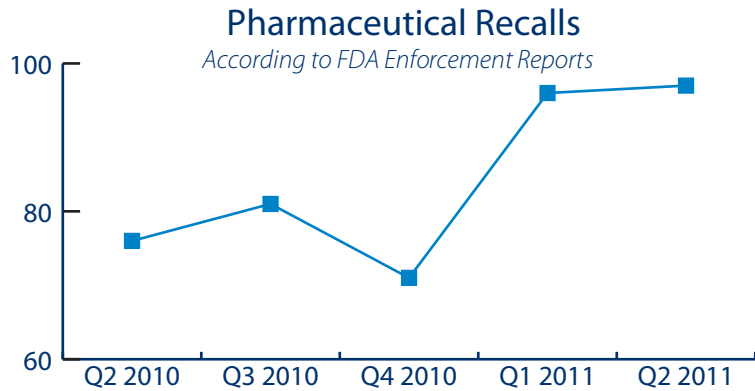
Pharmaceuticals

FDA Enforcement Reports documented 97 pharmaceutical recalls during the second quarter of 2011 affecting more than 35 million units. While the number of recalls increased to a five quarter high, these recalls involved fewer than half the number of units affected the previous quarter.

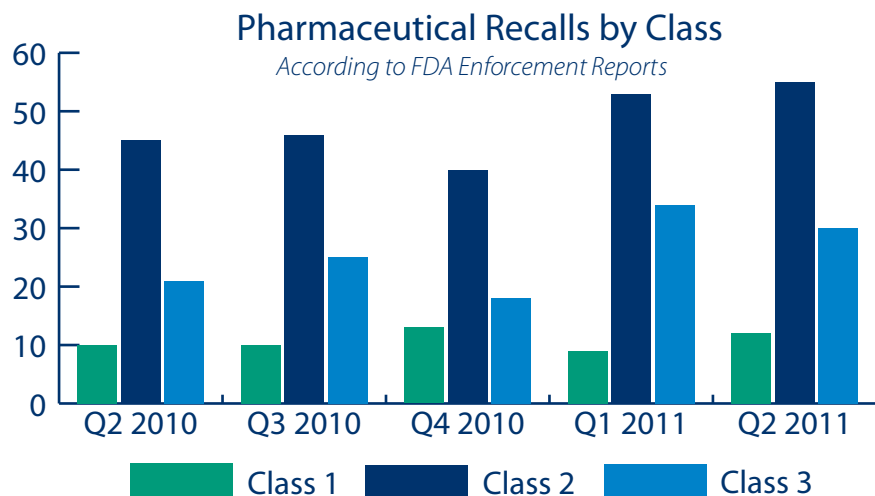
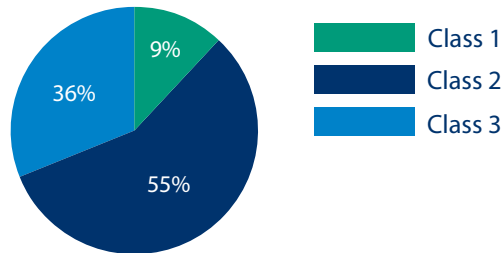
Pharmaceutical recalls in the second quarter affected consumers both in the U.S. and overseas. Of the 97 recalls documented in FDA enforcement reports, 83 affected only domestic consumers. Thirteen affected consumers in both the U.S. and at least one other territory or country. One recall affected only consumers outside the U.S.

The ExpertRECALL Index also revealed the following:

- Pharmaceutical recalls increased by more than 25 percent compared with the same quarter last year.
- Four recalls affected more than a million units compared with 15 recalls exceeding a million units during the first quarter.
- Pharmaceutical recalls documented by enforcement reports increased one percent compared with the previous quarter, the largest number in the past five quarters.
- Approximately 12 percent of second quarter pharmaceutical recalls affecting only two percent of recalled units were listed as Class I.



Pharmaceutical Recalls in Q2 2011
According to FDA Enforcement Reports



Recall Index - Second Quarter 2011

Food

In the second quarter of 2011, FDA enforcement reports document 146 food recalls initiated by more than 130 companies and affecting nearly six million units. The number of food recalls documented in enforcement reports during the second quarter was the largest in the past three quarters.

Of second quarter recalls, 33 affected consumers nationwide. Of these, only five recalls affected the U.S. and Canada and eight affected consumers in the U.S. and overseas. The remaining 113 recalls affected consumers only in certain states, territories, or countries.

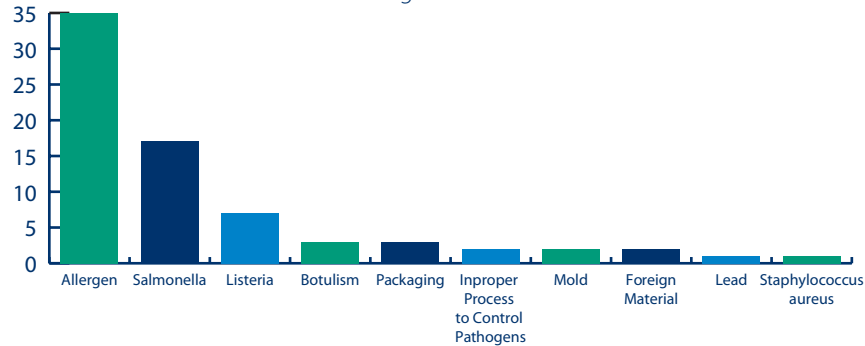
Of recalls documented in FDA enforcement reports during the second quarter, more than half were listed as Class I, nearly 60 recalls were listed as Class II, and eight were Class III.

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

- Recalls initiated because of undeclared allergens hit a five quarter high.
- Undeclared allergens or other allergen concerns were the primary cause of recalls during the second quarter, accounting for more than 45 percent of food recalls initiated, a 25 percent increase over the first quarter.
- Recalls caused by allergen concerns exceeded the number of recalls due to Salmonella, Botulism, E. coli and Listeria combined. The second leading cause of food recalls during their second quarter was potential Salmonella contamination, accounting for less than 25 percent of the total.
- Three recalls were announced as a result of packaging issues or defects, all the result of dietary supplement labeling.

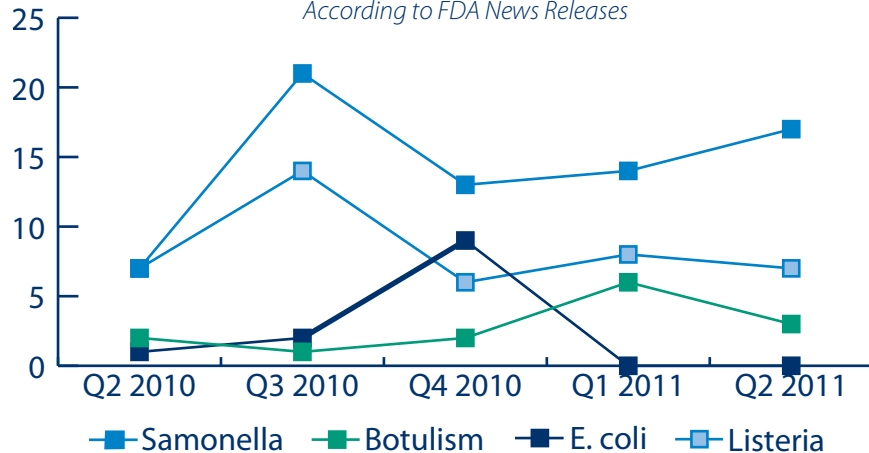
Leading Causes of Food Recalls in Q2 2011

According to FDA News Releases

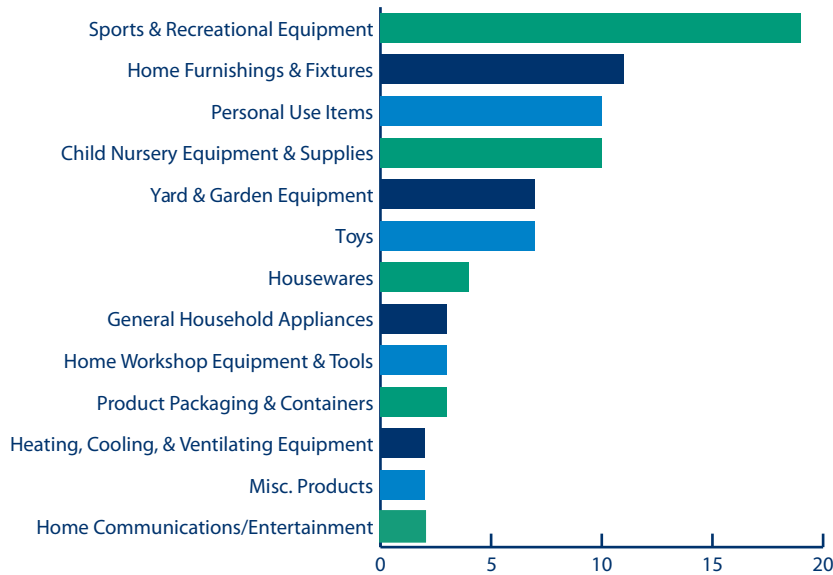


Recalls Due to Foodborne Illness Concerns

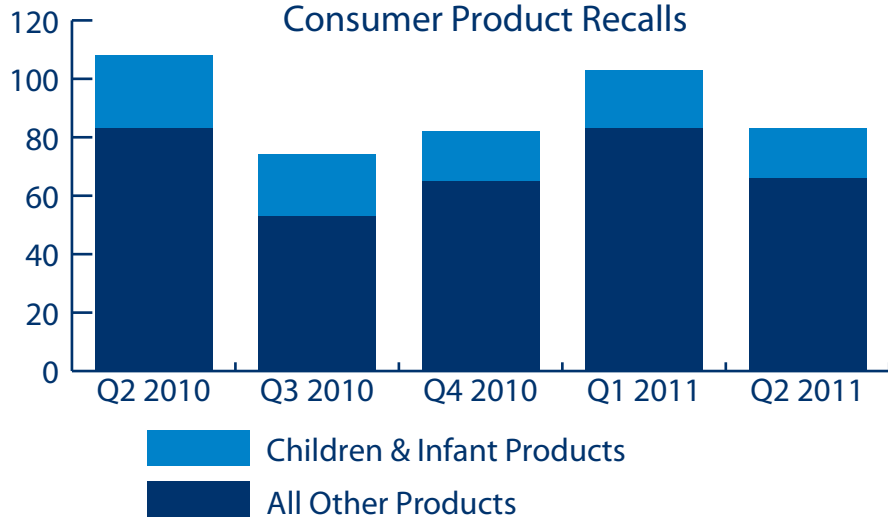
According to FDA News Releases



Q2 2011 Consumer Product Recalls By Category



Consumer Product Recalls



Recall Index - Second Quarter 2011

Consumer Products

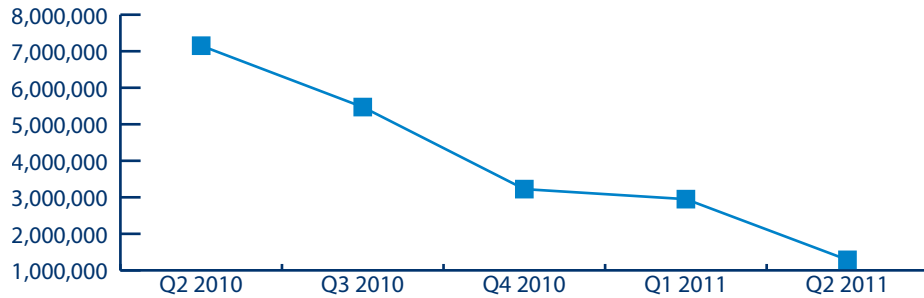
Consumer product recalls regulated by the CPSC decreased 20 percent in the second quarter to 83, compared with 103 recalls in the previous quarter. Second quarter recalls affected approximately 12.6 million units that were responsible for more than 2,000 reported product safety incidents. There were more than 160 injuries related to 23 of the recalls during the second quarter. One death was reported.

During the second quarter, the CPSC announced more recalls than the previous quarter in the sports & recreational equipment, home communication, entertainment & hobby, product packaging & containers, and home workshop apparatus & tools categories.

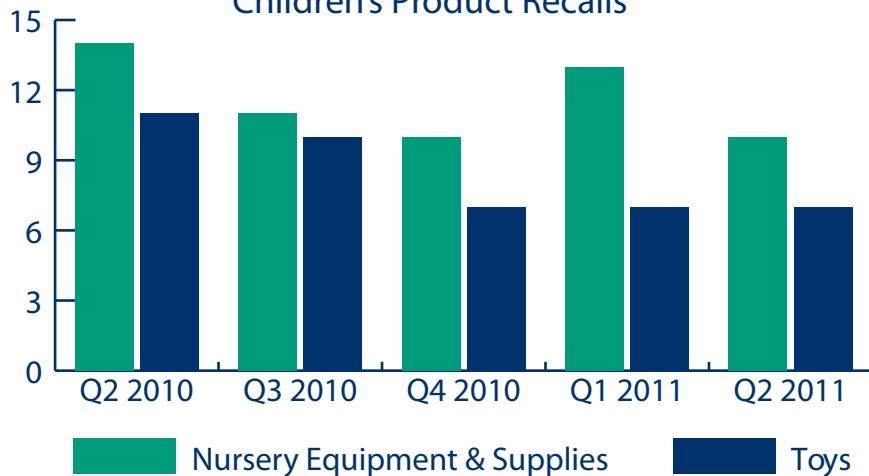
The ExpertRECALL Index also revealed the following:

- Laceration hazards were the leading cause of CPSC recalls during the second quarter. Choking risks due to small parts were the second leading cause of second quarter recalls.
- During the second quarter, 90 companies initiated recalls. Three companies faced more than one recall.
- Recalls of sports & recreational equipment products increased for the third straight quarter, reaching a five quarter high of 19 and accounting for more than 20 percent of all CPSC recalls for the quarter.
- Five recalls affected at least one million units.

Total Children's Product Units Recalled



Children's Product Recalls



Recall Index - Second Quarter 2011

Children's Products

Nursery equipment & supplies and toys accounted for 17 CPSC recalls during the second quarter. Of the fifteen product categories recognized by the CPSC, these two accounted for more than 20 percent of all recalls in the quarter and affected approximately 1.3 million units.

The total number of children's and infant product recalls decreased 32 percent over the first quarter, returning to a five quarter low. Recalls in the toy category have remained consistent over the past three quarters, down 36 percent from the second quarter of 2010.

The primary cause of children's and infant product recalls was the choking risk associated with small parts. This risk prompted five recalls within these product categories, representing about 30 percent of children's and infant product recalls. Laceration hazards were the second leading cause, with four recalls.

The ExpertRECALL Index also revealed the following:

- Children's and infant products recalled during the second quarter caused 65 reported injuries.
- Seventeen companies initiated recalls in the second quarter for this category. None experienced more than a single recall.
- Nearly 600 product safety incidents were reported in connection with recalled children's and infant products in the second quarter.
- Two second quarter recalls were due to excessive lead content.