

STERICYCLE INC
Form 10-K/A
June 11, 2015
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 0-21229

Stericycle, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

28161 North Keith Drive
Lake Forest, Illinois 60045
(Address of principal executive offices, including zip code)
(847) 367-5910
(Registrant's telephone number, including area code)

36-3640402
(IRS Employer Identification Number)

Securities registered pursuant to Section 12(b) of the Act:

Common stock, par value \$.01 per share
(Title of each class)

NASDAQ Global Select Market
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Act of 1934. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "accelerated filer", "large accelerated filer" and "smaller

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reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2 of the Exchange Act). YES NO

State the aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2014): \$10,038,938,856.

On February 16, 2015, there were 84,940,511 shares of the Registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Items 10, 11, 12 and 13 of Part III of this Report is incorporated by reference from the Registrant's definitive Proxy Statement for the 2015 Annual Meeting of Stockholders to be held on May 27, 2015.

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EXPLANATORY NOTE

This Amendment No. 1 to Form 10-K (this “Amendment”) amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (the “Original 10-K”) filed by Stericycle, Inc., a Delaware corporation (“Stericycle,” “we” or “our”) on March 2, 2015 (the “Original Filing Date”). We are filing this Amendment to correct a clerical error in the report of Ernst & Young LLP (“E&Y”), our independent registered public accounting firm, on the effectiveness of our internal control over financial reporting. This clerical error was the omission of an explanatory paragraph from E&Y’s report indicating that its audit of internal control over financial reporting did not include an evaluation of the internal control over financial reporting of PSC Environmental Services, LLC (“PSC Environmental”), which we acquired on April 22, 2014. Management’s report on internal control over financial reporting included in the Original 10-K noted that, pursuant to the SEC’s general guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of internal control over financial reporting did not include PSC Environmental. In accordance with Rule 12b-15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amendment sets forth the complete text of Item 8 of Part II of the Original 10-K, which has been amended solely to provide the appropriate E&Y report that includes the explanatory paragraph regarding the exclusion of PSC Environmental from its assessment.

This Amendment speaks only as of the Original Filing Date, does not reflect events that may have occurred subsequent to the Original Filing Date, and does not modify or update in any way the disclosures made in the Original 10-K, including, without limitation, the financial statements and accompanying notes. Except as described above, no changes have been made to the Original 10-K. This Amendment should be read in conjunction with the Original 10-K and our other filings made with the Securities and Exchange Commission subsequent to the Original Filing Date. Pursuant to Rule 12b-15 of the Exchange Act, the certifications required pursuant to Rule 13a-14(a) and Rule 13a-14(b) of the Exchange Act, which were included as exhibits to the Original 10-K, have been re-executed as of the date of this Amendment and are included as Exhibits 31.3, 31.4 and 32.1 hereto.

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PART II

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) in Internal Control—Integrated Framework. The Company acquired PSC Environmental Services, LLC ("PSC Environmental") on April 22, 2014. PSC Environmental has not been included in management's assessment of the effectiveness of internal control over financial reporting. Pursuant to the SEC's general guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of internal controls over financial reporting does not include PSC Environmental. PSC Environmental accounted for approximately 7% of the Company's consolidated net sales for the year ended December 31, 2014 and approximately 2% of the Company's consolidated total assets at December 31, 2014.

Based on this assessment and those criteria, management concludes that the Company maintained effective internal control over financial reporting as of December 31, 2014.

The Company's independent registered public accounting firm has issued an opinion on the Company's internal control over financial reporting. That report appears on page 5.

Stericycle, Inc.
Lake Forest, IL
March 2, 2015

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Stericycle, Inc. and Subsidiaries

We have audited Stericycle, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of PSC Environmental Services, LLC ("PSC Environmental") which is included in the 2014 consolidated financial statements of Stericycle Inc. and Subsidiaries and constituted \$121.0 million and \$14.6 million of total and net assets, respectively, as of December 31, 2014 and \$187.0 million and \$5.8 million of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of Stericycle, Inc. and Subsidiaries also did not include an evaluation of the internal control over financial reporting of PSC Environmental.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Stericycle, Inc. and Subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in equity,

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and cash flows for each of the three years in the period ended December 31, 2014, and our report dated March 2, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chicago, Illinois
March 2, 2015

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Stericycle, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Stericycle, Inc. and Subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Stericycle, Inc. and Subsidiaries at December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Stericycle Inc. and Subsidiaries', internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated March 2, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois

March 2, 2015

Table of ContentsSTERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

In thousands, except share and per share data

	December 31, 2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$22,236	\$67,167
Short-term investments	380	413
Accounts receivable, less allowance for doubtful accounts of \$19,083 in 2014 and \$19,134 in 2013	465,473	388,996
Deferred income taxes	28,322	18,031
Prepaid expenses	30,632	28,379
Other current assets	33,173	37,279
Total Current Assets	580,216	540,265
Property, Plant and Equipment, less accumulated depreciation of \$364,124 in 2014 and \$323,031 in 2013	460,408	358,967
Goodwill	2,418,832	2,231,582
Intangible assets, less accumulated amortization of \$114,922 in 2014 and \$88,098 in 2013	909,645	720,035
Other assets	32,621	37,124
Total Assets	\$4,401,722	\$3,887,973
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	\$131,969	\$150,380
Accounts payable	114,596	89,146
Accrued liabilities	131,743	107,445
Deferred revenues	21,624	18,826
Other current liabilities	61,599	50,387
Total Current Liabilities	461,531	416,184
Long-term debt, net of current portion	1,527,246	1,280,663
Deferred income taxes	431,643	396,119
Other liabilities	64,117	27,469
Equity:		
Common stock (par value \$.01 per share, 120,000,000 shares authorized, 84,883,517 issued and outstanding in 2014 and 85,500,037 issued and outstanding in 2013)	849	855
Additional paid-in capital	289,211	195,110
Accumulated other comprehensive loss	(138,419	) (56,468)
Retained earnings	1,743,371	1,610,964
Total Stericycle, Inc.'s Equity	1,895,012	1,750,461
Noncontrolling interest	22,173	17,077
Total Equity	1,917,185	1,767,538
Total Liabilities and Equity	\$4,401,722	\$3,887,973

The accompanying notes are an integral part of these consolidated financial statements.

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Table of ContentsSTERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

In thousands, except share and per share data

	Years Ended December 31,		
	2014	2013	2012
Revenues	\$2,555,601	\$2,142,807	\$1,913,149
Costs and Expenses:			
Cost of revenues (exclusive of depreciation shown below)	1,404,712	1,128,170	1,011,213
Depreciation - cost of revenues	56,478	50,003	44,631
Selling, general and administrative expenses (exclusive of depreciation and amortization shown below)	489,937	390,610	356,817
Depreciation – selling, general and administrative expenses	15,446	11,338	9,598
Amortization	32,692	27,067	22,054
Total Costs and Expenses	1,999,265	1,607,188	1,444,313
Income from Operations	556,336	535,619	468,836
Other Income (Expense):			
Interest income	120	294	404
Interest expense	(66,142	) (55,243	) (51,674
Other expense, net	(2,746	) (2,924	) (369
Total Other Expense	(68,768	) (57,873	) (51,639
Income Before Income Taxes	487,568	477,746	417,197
Income Tax Expense	159,422	164,662	147,256
Net Income	\$328,146	\$313,084	\$269,941
Less: Net Income Attributable to Noncontrolling Interests	1,690	1,712	1,945
Net Income Attributable to Stericycle, Inc.	\$326,456	\$311,372	\$267,996
Earnings Per Common Share Attributable to Stericycle, Inc.			
Common Shareholders:			
Basic	\$3.84	\$3.62	\$3.14
Diluted	\$3.79	\$3.56	\$3.08
Weighted Average Number of Common Shares Outstanding:			
Basic	84,932,792	85,902,550	85,401,365
Diluted	86,233,612	87,391,988	87,018,473

The accompanying notes are an integral part of these consolidated financial statements.

Table of ContentsSTERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In thousands

	Years Ended December 31,		
	2014	2013	2012
Net Income	\$ 328,146	\$ 313,084	\$ 269,941
Other Comprehensive Income/ (Loss):			
Foreign currency translation adjustments	(82,871	) (19,160	) 6,801
Amortization of cash flow hedge into income, net of tax (\$209, \$200 and \$216) for the years ended December 31, 2014, 2013 and 2012, respectively)	339	314	339
Change in fair value of cash flow hedge, net of tax (\$813, \$0 and \$193 for the years ended December 31, 2014, 2013 and 2012, respectively)	(2,069	) —	289
Total Other Comprehensive Income/ (Loss)	(84,601	) (18,846	) 7,429
Comprehensive Income	243,545	294,238	277,370
Less: Comprehensive Income/ (Loss) Attributable to Noncontrolling Interests	(960	) 270	2,454
Comprehensive Income Attributable to Stericycle, Inc.	\$ 244,505	\$ 293,968	\$ 274,916

The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands

	Years Ended December 31,		
	2014	2013	2012
OPERATING ACTIVITIES:			
Net income	\$328,146	\$313,084	\$269,941
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock compensation expense	17,773	17,457	16,339
Excess tax benefit of stock options exercised	(17,906)	) (17,153	) (30,161
Depreciation	71,924	61,341	54,229
Amortization	32,692	27,067	22,054
Deferred income taxes	16,550	30,930	22,678
Loss on sale of business	—	—	4,867
Change in fair value of contingent consideration	(1,452)	) (2,278	) 752
Other, net	10,384	3,381	1,677
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:			
Accounts receivable	(34,116)	) (54,767	) (4,329
Accounts payable	(5,712)	) 7	406
Accrued liabilities	21,279	4,547	24,537
Deferred revenues	1,017	(1,319)	) 931
Other assets and liabilities	7,921	23,010	6,863
Net cash provided by operating activities	448,500	405,307	390,784
INVESTING ACTIVITIES:			
Payments for acquisitions, net of cash acquired (Purchases of)/ proceeds from investments	(374,321)	) (161,936	) (224,367
Proceeds from sale of business and other assets	—	—	764
Capital expenditures	(86,496)	) (73,109	) (65,236
Net cash used in investing activities	(462,774)	) (234,972	) (288,928
FINANCING ACTIVITIES:			
Repayments of long-term debt and other obligations	(101,231)	) (88,507	) (102,932
Borrowings on foreign bank debt	205,086	218,968	98,620
Repayments on foreign bank debt	(193,284)	) (201,967	) (69,454
Borrowings on senior credit facility	1,413,026	1,029,718	863,286
Repayments on senior credit facility	(1,216,031)	) (984,979	) (1,167,595
Proceeds from private placement of long-term note	—	—	250,000
Payments of deferred financing costs	(2,280)	) —	(956
Payments on capital lease obligations	(5,826)	) (4,024	) (3,192
Purchases and cancellations of treasury stock	(194,066)	) (163,700	) (48,028
Proceeds from issuance of common stock	51,852	42,345	64,461
Excess tax benefit of stock options exercised	17,906	17,153	30,161
Payments to noncontrolling interests	(5,201)	) (1,026	) (5,897
Net cash used in financing activities	(30,049)	) (136,019	) (91,526
Effect of exchange rate changes on cash and cash equivalents	(608)	) (1,809	) 1,819
Net (decrease)/ increase in cash and cash equivalents	(44,931)	) 32,507	12,149
Cash and cash equivalents at beginning of period	67,167	34,660	22,511
Cash and cash equivalents at end of period	\$22,236	\$67,167	\$34,660

NON-CASH ACTIVITIES:

Issuances of obligations for acquisitions	\$ 145,938	\$ 100,101	\$ 97,541
Issuances of obligations for noncontrolling interest	—	6,119	8,197

The accompanying notes are an integral part of these consolidated financial statements.

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STERICYCLE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years Ended December 31, 2014, 2013 and 2012

In thousands

	Stericycle, Inc. Equity			Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Noncontrolling Interest	Total Equity
	Issued and Outstanding Shares	Common Stock	Additional Paid-In Capital					
Balance at January 1, 2012	84,696	\$ 847	\$—	\$1,243,303	\$ (45,984)	\$ 29,085		\$1,227,251
Net income				267,996		1,945		269,941
Currency translation adjustment					6,292	509		6,801
Change in qualifying cash flow hedge, net of tax					628			628
Issuance of common stock for exercise of options and employee stock purchases	1,855	19	68,444					68,463
Purchase/ cancellation of treasury stock	(563)	(6)	—	(48,022)				(48,028)
Stock compensation expense			16,339					16,339
Excess tax benefit of stock options exercised			30,161					30,161
Noncontrolling interests attributable to acquisitions						4,386		4,386
Reduction to noncontrolling interests due to additional ownership			1,958			(19,997)		(18,039)
Payments to noncontrolling interests			(182)			(398)		(580)
Balance at December 31, 2012	85,988	860	116,720	1,463,277	(39,064)	15,530		1,557,323
Net income				311,372		1,712		313,084
Currency translation adjustment					(17,718)	(1,442)		(19,160)
Change in qualifying cash flow hedge, net of tax					314			314
Issuance of common stock for exercise of options, restricted stock units and employee stock purchases	973	10	47,991					48,001
Purchase/ cancellation of treasury stock	(1,461)	(15)	—	(163,685)				(163,700)
Stock compensation expense			17,457					17,457
			17,153					17,153

Excess tax benefit of stock options exercised								
Noncontrolling interests attributable to acquisitions						4,211		4,211
Reduction to noncontrolling interests due to additional ownership			(4,211)			(2,926)		(7,137)
Payments to noncontrolling interests						(8)		(8)
Balance at December 31, 2013	85,500	855	195,110	1,610,964	(56,468)	17,077		1,767,538
Net income				326,456		1,690		328,146
Currency translation adjustment					(80,221)	(2,650)		(82,871)
Change in qualifying cash flow hedge, net of tax					(1,730)			(1,730)
Issuance of common stock for exercise of options, restricted stock units and employee stock purchases	1,061	11	58,551					58,562
Purchase/ cancellation of treasury stock	(1,677)	(17)	—	(194,049)				(194,066)
Stock compensation expense			17,773					17,773
Excess tax benefit of stock options exercised			17,906					17,906
Noncontrolling interests attributable to acquisitions						6,781		6,781
Reduction to noncontrolling interests due to additional ownership			(129)			(725)		(854)
Balance at December 31, 2014	84,884	\$ 849	\$ 289,211	\$ 1,743,371	\$ (138,419)	\$ 22,173		\$ 1,917,185

The accompanying notes are an integral part of these consolidated financial statements.

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STERICYCLE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unless the context requires otherwise, "we," "us" or "our" refers to Stericycle, Inc. and its subsidiaries on a consolidated basis.

NOTE 1 — DESCRIPTION OF BUSINESS

We were incorporated in 1989 and presently serve a diverse customer base of more than 600,000 customers throughout the United States, Argentina, Brazil, Canada, Chile, Ireland, Japan, Mexico, Portugal, Romania, Republic of Korea, Spain, and the United Kingdom.

We lease office space for our corporate offices in Lake Forest, Illinois. Domestically, we own or lease 64 processing facilities, the majority of which use autoclave waste processing technology. All of our processing facilities also serve as collection sites. We own or lease 137 additional transfer sites, 19 additional sales/administrative sites, and 51 other service facilities. Internationally, we own or lease 117 processing facilities, the majority of which use autoclave waste processing technology. We also own or lease 77 additional transfer sites, 45 additional sales/administrative sites, 46 other service facilities, and 2 landfills.

We are in the business of providing regulated and compliance solutions to healthcare and commercial businesses. This includes the collection and processing of specialized waste for disposal, and a variety of training, consulting, recall/return, communication, and compliance services.

The regulated solutions we provide include: medical waste disposal, hazardous waste management, our Steri-Safe® medical waste and compliance program, our Clinical Services program, our Sharps Management Service featuring Bio Systems® reusable sharps containers, pharmaceutical waste disposal, and medical safety products. Our compliance solutions include: training, consulting, inbound/outbound communications, data reporting, and other regulatory compliance services. In addition to our regulated and compliance solutions, we offer regulated recall and returns management solutions which encompass a number of services for a variety of businesses, but consist primarily of managing the recall, withdrawal, or return of expired or recalled products and pharmaceuticals.

We have 9,969 employees in the United States, of which 456 are covered by collective bargaining agreements. Internationally, we have 8,687 employees, of which approximately 2,209 are covered by collective bargaining agreements, primarily in Latin America.

The accompanying consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") in conformity with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

In our opinion, the consolidated financial statements included herein contain all adjustments necessary to present fairly our financial position as of December 31, 2014 and 2013 and the results of our operations, our cash flows, and our statement of changes in equity for the three years ended December 31, 2014, 2013 and 2012. Such adjustments are of a normal recurring nature. We have evaluated subsequent events through the date of filing this Annual Report on Form 10-K.

Certain amounts in previously issued financial statements have been reclassified to conform to the current period presentation. At December 31, 2013, the Company recorded an immaterial correction of an error to reclassify \$5.2 million of book overdrafts from cash and cash equivalents to other current liabilities

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on the Consolidated Balance Sheet. This adjustment had no impact on previously reported Stericycle, Inc.'s equity, net income, or earnings per share.

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amount of reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the periods reported. Actual results may differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of Stericycle, Inc. and its subsidiaries.

Revenue Recognition:

Revenues for our regulated waste management services, other than our compliances services such as Steri-Safe, are recognized at the time of waste collection. Our compliance service revenues are recognized evenly over the contractual service period. Payments received in advance are deferred and recognized as services are provided.

Revenues from hazardous waste services are recorded at the time waste is received at our processing facility.

Revenues from regulated recall and returns management services and communication solutions are recorded at the time services are performed. Revenues from product sales are recognized at the time the goods are shipped to the ordering customer. Charges related to international value added tax ("VAT") and other similar pass through taxes are not included as revenue.

Cash Equivalents and Short-Term Investments:

We consider all highly liquid investments with a maturity of less than three months when purchased to be cash equivalents. Short-term investments consist of certificates of deposit which mature in less than one year.

Property, Plant and Equipment:

Property, plant and equipment are stated at cost. Depreciation and amortization, which include the depreciation of assets recorded under capital leases, are computed using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	5 to 50 years
Machinery and equipment	3 to 30 years
Containers	2 to 20 years
Vehicles	2 to 7 years
Office equipment and furniture	2 to 15 years
Software	2 to 7 years

Our containers have a weighted average remaining useful life of 13.1 years.

Acquisition Accounting:

Acquisition accounting requires us to recognize assets and liabilities at their fair value. The process of determining fair value requires time to complete therefore we will make some estimates at the time of acquisition. These estimates are primarily for amortizable intangibles and, if appropriate, an associated deferred tax liability. These estimates are based on historical experience and allow us to recognize amortization expense until the final valuation is complete.

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Goodwill and Identifiable Intangibles:

Goodwill and identifiable indefinite lived intangible assets are not amortized, but are subject to an annual impairment test (see Note 11 - Goodwill and Other Intangible Assets for more information about goodwill and the annual impairment test). Our finite-lived intangible assets are amortized over their useful lives. We have determined that our customer relationships have useful lives from 10 to 40 years based upon the type of customer, with a weighted average remaining useful life of 23.8 years. We have covenants not-to-compete intangibles with useful lives from 3 to 14 years, with a weighted average remaining useful life of 4.7 years. We have tradename intangibles with useful lives from 10 to 40 years, with a weighted average remaining useful life of 15.8 years. We have technology with useful life of 5 years, with a weighted average remaining useful life of 1.0 years. We have determined that our permits have indefinite lives due to our ability to renew these permits with minimal additional cost, and therefore they are not amortized. We also have a tradename that we have determined has an indefinite life.

Our indefinite lived intangible assets are tested for impairment annually at December 31, or more frequently, if circumstances indicate that they may be impaired. We use a qualitative assessment, as provided for under the FASB Accounting Standards Codification Topic 350, Intangibles - Goodwill and Other, to determine if it is more likely than not that the asset is impaired. If there is an indication of impairment, we test the recoverability of the asset using either a discounted income or cost savings model to calculate fair value. The calculated fair value is based upon, among other things, certain assumptions about expected future operating performance, internal and external processing costs, and an appropriate discount rate determined by management. Our estimates of discounted income may differ from actual income due to, among other things, inaccuracies in economic estimates (see Note 11 - Goodwill and Other Intangible Assets for more information about indefinite lived intangible assets).

Valuation of Intangibles:

Valuation of our intangible assets other than goodwill is derived using a discounted income and cost savings approach. Financial information such as revenues, costs, assets and liabilities, and other assumptions related to the intangible asset are input into a standard valuation model to determine a stream of income attributable to that intangible. The income stream is then discounted to the present to arrive at a valuation. We perform annual impairment tests on our indefinite lived intangible assets.

We have determined that our customer relationships have lives between 10 and 40 year based on the specific type of relationship. The valuation of our contractual customer relationships was derived using a discounted income approach valuation model. These assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be less than its undiscounted estimated future cash flows (see Note 11 - Goodwill and Other Intangible Assets for more information about our intangible assets other than goodwill).

Share Repurchases:

Purchase price over par value for share repurchases are allocated to retained earnings.

Income Taxes:

Deferred income tax assets and liabilities are determined based on the differences between the financial statement and income tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Interest and penalties accrued related to unrecognized tax benefits are recognized as a component of income tax expense.

Accounts Receivable:

Accounts receivable consist of amounts due to us from our normal business activities and are carried at their estimated collectible amounts. Our accounts receivable balance includes amounts related to VAT and

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similar international pass-through taxes. We do not require collateral as part of our standard trade credit policy. Accounts receivable balances are determined to be past due when the amount is overdue based on the contractual terms with the customer. We maintain an allowance for doubtful accounts to reflect the expected uncollectibility of accounts receivable based on past collection history and specific risks identified among uncollected accounts. Accounts receivable are written off against the allowance for doubtful accounts when we have determined that the receivable will not be collected and/or when the account has been referred to a third party collection agency. No single customer accounts for more than approximately 1% of our accounts receivable. Bad debt expense was \$9.9 million, \$4.8 million and \$4.6 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Environmental Remediation Liabilities:

We record a liability for environmental remediation when such liability becomes probable and the costs or damages can be reasonably estimated. We accrue environmental remediation costs, on an undiscounted basis, associated with identified sites where an assessment has indicated that cleanup costs are probable and can be reasonably estimated, but the timing of such payments is not fixed and determinable. Such accruals are based on currently available information, estimated timing of remedial actions, existing technology, and enacted laws and regulations.

Financial Instruments:

Our financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable and payable and long-term debt. At December 31, 2014, the fair value of the Company's debt obligations was estimated at \$1.67 billion, compared to a carrying amount of \$1.66 billion. This fair value was estimated using market interest rates for comparable instruments. The Company has no current plans to retire a significant amount of its debt prior to maturity. Financial instruments, which potentially subject us to concentrations of credit risk, consist principally of accounts receivable. Credit risk on trade receivables is minimized as a result of the large size of our customer base. No single customer represents greater than approximately 1% of total accounts receivable. We perform ongoing credit evaluation of our customers and maintain allowances for potential credit losses. For any contracts in loss positions, losses are recorded when probable and estimable. These losses, when incurred, have been within the range of our expectations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Some areas where we make estimates include allowance for doubtful accounts, credit memo reserve, accrued employee health and welfare benefits, stock compensation expense, income tax liabilities, accrued auto and workers' compensation insurance claims, and intangible asset valuations. Such estimates are based on historical trends and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from our estimates.

Future estimated expenses may fluctuate depending on changes in foreign currency rates. The estimates for payments due on long-term debt, lease payments under capital leases, accrued liabilities, contingent consideration liabilities, intangible assets amortization expense, and rental payments are based upon foreign exchange rates at December 31, 2014.

Stock-Based Compensation:

We recognize compensation expense for all stock-based awards made to our employees and directors. Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized over the vesting period. Determining the fair value of stock-based awards at the grant date requires considerable judgment, including estimating expected volatility of our stock, expected term of the award, and the risk-free interest rate. Our stock's expected volatility is based upon historical experience. The expected

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term of options granted is based on historical experience. The risk-free interest rate assumption is based upon the U.S. Treasury yield rates for a comparable period. If factors change and we employ different assumptions, stock-based compensation expense for new grants may differ significantly from what we have recorded in the past.

Foreign Currency Translation:

Assets and liabilities of foreign affiliates that use the local currency as their functional currency are translated at the exchange rate on the last day of the accounting period, and income statement accounts are translated at the average rates during the period. Related translation adjustments are reported as a component of accumulated other comprehensive loss in Stericycle, Inc.'s equity.

New Accounting Standards:

Accounting Standards Recently Adopted

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

On January 1, 2014, we adopted guidance on the presentation of unrecognized tax benefits when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists at the reporting date. An unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except in certain circumstances. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. For example, an entity should not evaluate whether the deferred tax asset expires before the statute of limitations on the tax position or whether the deferred tax asset may be used prior to the unrecognized tax benefit being settled. We are applying this guidance on a prospective basis. The implementation of this guidance did not affect our results of operations or financial liquidity.

Accounting Standards Issued But Not Yet Adopted

Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity

In April 2014, the Financial Accounting Standards Board ("FASB") issued guidance that changes the threshold for reporting discontinued operations and adds new disclosures. The new guidance defines a discontinued operation as a disposal of a component or group of components that is disposed of or is classified as held for sale and "represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results." For disposals of individually significant components that do not qualify as discontinued operations, an entity must disclose pre-tax earnings of the disposed component. For public business entities, this guidance is effective prospectively for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. The Company has no plans to dispose of a component of our entity and therefore does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

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Revenue From Contracts With Customers

In May 2014, the FASB issued guidance to provide a single, comprehensive revenue recognition model for all contracts with customers. The revenue guidance contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard will be effective for the first interim period within annual reporting periods beginning after December 15, 2016 for public entities, with no early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its internal processes, operating results, and financial reporting. The impact is currently not known or reasonably estimable.

Accounting for Share-Based Payment When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period

In June 2014, the FASB issued guidance that applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. It requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition and follows existing accounting guidance for the treatment of performance conditions. The standard will be effective for annual periods and interim periods within those annual periods beginning after December 15, 2015, with early adoption permitted. The Company does not have any share-based payments with a performance target and therefore does not expect the adoption of this guidance to have a material impact on the Company's financial position or results of operations.

NOTE 3 – ACQUISITIONS AND DIVESTITURES

The following table summarizes the locations of our acquisitions for the years ended December 31, twelve months ended December 31, 2014, 2013 and 2012:

Acquisition Locations	2014	2013	2012
United States	17	13	17
Argentina	2	3	1
Brazil	3	2	1
Canada	2	3	—
Chile	3	1	3
Japan	2	3	1
Mexico	—	1	2
Portugal	5	2	1
Romania	3	6	2
Republic of Korea	1	—	—
Spain	3	3	8
United Kingdom	3	12	5
Total	44	49	41

During 2014, we completed 44 acquisitions, of which 17 were domestic and 27 were international businesses.

Domestically, we acquired 100% of the stock of two regulated waste businesses, selected assets of eleven regulated waste businesses, three communication services business, and one recall and returns business.

Internationally, in Argentina, we acquired 100% of the stock of two regulated waste businesses. In Brazil, we acquired 100% of the stock of two regulated waste business and selected assets of one regulated

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waste business. In Canada, we acquired 100% of the stock of two communication solution businesses. In Chile, we acquired 100% of the stock of two regulated waste businesses, and 90% of the stock of another. In Japan, we acquired 100% of the stock of two regulated waste businesses. In Portugal, we acquired 100% of the stock of five regulated waste business. In Romania, we acquired selected assets of two regulated waste businesses and 100% of the stock of another. In Republic of Korea, which represents a new market for us, we acquired 75.5% of the stock of one regulated waste business. In Spain, we acquired 100% of the stock of one regulated waste business and selected assets of two regulated waste businesses. In the United Kingdom, we acquired 100% of the stock of two regulated waste businesses and selected assets of another.

We also increased our majority share in a previous acquisition in Japan to 100%.

The following table summarizes the aggregate purchase price paid for acquisitions and other adjustments of consideration to be paid for acquisitions during the years ended December 31, 2014, 2013 and 2012:

In thousands

	2014	2013	2012
Cash	\$374,321	\$161,936	\$224,367
Promissory notes	125,229	64,581	70,670
Deferred consideration	3,535	31,149	17,681
Contingent consideration	17,174	4,371	9,190
Total purchase price	\$520,259	\$262,037	\$321,908

For financial reporting purposes, our acquisitions were accounted for using the acquisition method of accounting.

These acquisitions resulted in the recognition of goodwill in our financial statements reflecting the premium paid to acquire businesses that we believe are complementary to our existing operations and fit our growth strategy. During the twelve months ended December 31, 2014, we recognized a net increase in goodwill of \$235.6 million excluding the effect of foreign currency translation (see Note 11 – Goodwill and Other Intangible Assets, in the Notes to the Consolidated Financial Statements). A net increase of \$164.9 million was assigned to our United States reportable segment, and a net increase of \$70.7 million was assigned to our International reportable segment. Approximately \$125 million of the goodwill recognized during the twelve months ended December 31, 2014 will be deductible for income taxes.

During the twelve months ended December 31, 2014, we recognized a net increase in intangible assets from acquisitions of \$276.8 million, excluding the effect of foreign currency translation. The changes include \$117.2 million in the estimated fair value of acquired customer relationships with amortizable lives of 10 to 40 years, \$158.1 million in permits with indefinite lives, and \$1.2 million in tradename with an amortizable lives of 15 to 20 years, and \$0.3 million in other intangibles with an amortizable life of 10 years.

The purchase prices for these acquisitions in excess of acquired tangible assets have been primarily allocated to goodwill and other intangibles and are preliminary, pending completion of certain intangible asset valuations and completion accounts. The following table summarizes the preliminary purchase price allocation for current period acquisitions and other adjustments to purchase price allocations during the years ended December 31, 2014, 2013 and 2012:

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In thousands

	2014	2013	2012
Fixed assets	\$98,916	\$15,582	\$30,426
Intangibles	276,798	92,398	150,149
Goodwill	235,597	179,795	147,156
Accounts receivable	68,019	19,920	26,656
Accounts payable	(37,021)	) (8,910	) (7,423
Environmental remediation liabilities	(32,383)) —	—
Net other (liabilities)/ assets	(42,015)	) (11,030	) 3,869
Debt	(22,102)	) (7,512	) (4,353
Net deferred tax liabilities	(18,769)	) (13,995	) (20,186
Noncontrolling interests	(6,781)	) (4,211	) (4,386
Total purchase price allocation	\$520,259	\$262,037	\$321,908

During the twelve months ended December 31, 2014, 2013 and 2012 the Company incurred \$13.3 million, \$10.3 million, and \$7.9 million, respectively, of acquisition related expenses. These expenses are included with "Selling, general and administrative expenses" ("SG&A") on our Consolidated Statements of Income.

Included in the acquisitions discussed above for the quarter ended June 30, 2014 is the acquisition of 100% of the stock of PSC Environmental Services, LLC ("PSC Environmental"), which was consummated on April 22, 2014. Subject to various adjustments, the total consideration for the PSC Environmental acquisition was \$284.2 million, of which \$248.2 million was paid in cash, \$30.0 million was paid by a two-year promissory note, and \$6.0 million of the total purchase price represents contingent consideration which is based on Stericycle's expected future utilization of acquired net operating losses. A portion of the cash payment was applied to pay PSC Environmental's indebtedness as of the closing date. As part of the PSC Environmental acquisition, we assumed \$32.4 million in environmental remediation liabilities (see Note 13 - Environmental Remediation Liabilities, in the Notes to the Consolidated Financial Statements).

Included in the acquisitions discussed above for the quarter ended September 30, 2014 is the acquisition of 100% of the stock of Shiraishi-Sogyo Co. Ltd. ("Shiraishi"). Consideration for the acquisition of Shiraishi included the effective settlement of pre-existing loans we extended to Shiraishi for \$15.7 million and the assumption of Shiraishi's bank debt of \$4.7 million.

The results of operations of these acquired businesses have been included in the consolidated statements of income from the date of the acquisition. The pro forma revenues for the twelve months ended December 31, 2014 from the aggregate acquisitions during 2014 was approximately \$364.5 million, which includes \$219.5 million estimated impact to 2014 reported revenues. Our pro forma earnings include estimates for intangible asset amortization expense but does not include estimated synergies as the timing and realizability of synergies is uncertain. The following consolidated pro forma information on the impact of the 2014 acquisitions to our consolidated revenues is based on the assumption that these acquisitions all occurred on January 1, 2013:

In thousands

	Years Ended December 31,	
	2014	2013
Revenues	\$2,700,614	\$2,507,314
Net income	331,330	317,609

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NOTE 4 – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels. The impact of our creditworthiness has been considered in the fair value measurements noted below. In addition, the fair value measurement of a liability must reflect the nonperformance risk of an entity.

In thousands

	Total as of December 31, 2014	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Assets:				
Cash and cash equivalents	\$22,236	\$22,236	\$—	\$—
Short-term investments	380	380	—	—
Derivative financial instruments	515	—	515	—
Total assets	\$23,131	\$22,616	\$515	\$—
Liabilities:				
Contingent consideration	\$19,941	\$—	\$—	\$19,941
Derivative financial instruments	\$2,408	\$—	\$2,408	\$—
Total liabilities	\$22,349	\$—	\$2,408	\$19,941

In thousands

	Total as of December 31, 2013	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Assets:				
Cash and cash equivalents	\$67,167	\$67,167	\$—	\$—
Short-term investments	413	413	—	—
Total assets	\$67,580	\$67,580	\$—	\$—
Liabilities:				
Contingent consideration	\$12,527	\$—	\$—	\$12,527
Total liabilities	\$12,527	\$—	\$—	\$12,527

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For our derivative financial instruments we use a market approach valuation technique based on observable market transactions of spot and forward rates.

We recorded a \$0.5 million asset related to the fair value of the U.S. dollar-Canadian dollar foreign currency swap which was classified as other assets at December 31, 2014. The objective of the swap is to offset the foreign exchange risk to the U.S. dollar equivalent cash outflows for our Canadian subsidiary.

We recorded a \$2.4 million liability related to the fair value of treasury locks which was classified as current liabilities at December 31, 2014. The purpose was to lock in the treasury rate on the issuance of expected private placement debt and to eliminate interest rate risk. The fair value of the hedge was calculated by taking the present value of the difference between the locked rate and the forward rates at December 31, 2014. The hedge will terminate in April 2015 at which time the settlement amount, net of tax, will be recognized in accumulated other comprehensive income and amortized to net interest expense over the life of the underlying debt.

We had contingent consideration liabilities recorded using Level 3 inputs in the amount of \$19.9 million, of which \$7.9 million was classified as current liabilities at December 31, 2014. Contingent consideration liabilities were \$12.5 million at December 31, 2013. Contingent consideration represents amounts expected to be paid as part of acquisition consideration only if certain future events occur. These events are usually targets for revenues or earnings related to the business acquired. We arrive at the fair value of contingent consideration by applying a weighted probability of potential outcomes to the maximum possible payout. The calculation of these potential outcomes is dependent on both past financial performance and management assumptions about future performance. If the financial performance measures were all fully met, our maximum liability would be \$23.8 million at December 31, 2014. Contingent consideration liabilities are reassessed each quarter and are reflected in the Consolidated Balance Sheets in current liabilities within "Other current liabilities" and in noncurrent liabilities within "Other liabilities." Changes to contingent consideration are reflected in the table below:

In thousands

Contingent consideration at January 1, 2014	\$12,527	
Increases due to acquisitions	17,174	
Decrease due to change in noncontrolling interests	(4,379)
Decrease due to payments	(2,737)
Changes due to foreign currency fluctuations	(1,192)
Changes in fair value reflected in Selling, general, and administrative expenses	(1,452)
Contingent consideration at December 31, 2014	\$19,941	

Fair Value of Debt: At December 31, 2014, the fair value of the Company's debt obligations was estimated, using Level 2 inputs, at \$1.67 billion compared to a carrying amount of \$1.66 billion. At December 31, 2013, the fair value of the Company's debt obligations was estimated, using Level 2 inputs, at \$1.41 billion compared to a carrying amount of \$1.43 billion. The fair values were estimated using an income approach by applying market interest rates for comparable instruments. The Company has no current plans to retire a significant amount of its debt prior to maturity. There were no movements of items between fair value hierarchies.

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NOTE 5 – INCOME TAXES

The U.S. and International components of income before income taxes consisted of the following for the years ended December 31, 2014, 2013 and 2012:

In thousands

	2014	2013	2012
United States	\$441,029	\$407,315	\$357,076
Foreign	46,539	70,431	60,121
Total income before income taxes	\$487,568	\$477,746	\$417,197

Significant components of our income tax expense for the years ended December 31, 2014, 2013 and 2012 are as follows:

In thousands

	2014	2013	2012
Current			
United States - federal	\$ 118,217	\$ 103,751	\$ 95,864
United States - state and local	13,023	11,683	14,034
Foreign	14,930	24,486	17,192
	146,170	139,920	127,090
Deferred			
United States - federal	29,730	31,808	25,028
United States - state and local	948	5,510	3,881
Foreign	(15,339	) (10,246	) (8,743
Foreign - changes in statutory rates	(2,087	) (2,330) —
	13,252	24,742	20,166
Total provision	\$ 159,422	\$ 164,662	\$ 147,256

A reconciliation of the income tax provision computed at the federal statutory rate to the effective tax rate for the years ended December 31, 2014, 2013 and 2012 are as follows:

	2014	2013	2012
Federal statutory income tax rate	35.0	% 35.0	% 35.0
Effect of:			
State and local taxes, net of federal tax effect	1.9	% 2.3	% 2.9
Foreign tax rates	(0.5	)% (0.8	)% (1.2
Change in deferred tax assets from an increase in tax basis of foreign assets	(1.8)% —	% —
Other	(1.9	)% (2.0	)% (1.4
Effective tax rate	32.7	% 34.5	% 35.3

Cash payments for income taxes were \$128.1 million, \$102.1 million, and \$104.7 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Our deferred tax liabilities and assets at December 31, 2014 and 2013 were as follows:

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In thousands

	2014		2013	
Deferred tax liabilities:				
Property, plant and equipment	\$(41,071)	\$(43,280)
Goodwill and intangibles	(453,854	)	(387,942)
Total deferred tax liabilities	(494,925	)	(431,222)
Deferred tax assets:				
Accrued liabilities	32,664		20,415	
Stock based compensation	21,139		20,361	
Other	17,922		5,264	
Net operating tax loss carry-forwards	20,017		8,097	
Less: valuation allowance	(56	)	(1,122)
Total deferred tax assets	91,686		53,015	
Net deferred tax liabilities	\$(403,239	)	\$(378,207)

At December 31, 2014, net operating loss carry-forwards for U.S. federal and state income tax purposes have been fully utilized, excluding net operating loss carry-forwards related to our acquisitions. The net operating loss carry-forwards from foreign and domestic acquisitions are approximately \$58 million and certain of these net operating loss carry-forwards begin to expire in 2017. The tax benefit of these net operating losses is approximately \$20 million at December 31, 2014, on which a valuation allowance of \$56 thousand was recorded offsetting such tax benefit. During 2014, we reversed valuation allowances previously recorded in Japan, because net operating tax loss carry-forwards are now considered more likely than not to be realized. The valuation allowance primarily relates to loss carry-forwards for which limitations are in place and utilization before their expiration is uncertain.

Undistributed earnings of foreign subsidiaries are considered permanently reinvested, and therefore no deferred taxes are recorded thereon. The cumulative amounts of such earnings are approximately \$421 million at December 31, 2014, and it is not practicable to estimate the amount of tax that may be payable upon distribution assuming repatriation.

We and our subsidiaries file U.S. federal income tax returns and income tax returns in various states and foreign jurisdictions. With a few exceptions, we are no longer subject to U.S. federal, state, local, or non-U.S. income tax examinations by tax authorities for years before 2011. In 2014, the Internal Revenue Service concluded an audit of our 2010 Corporate Income Tax return with no significant adjustments.

The Company has recorded accruals to cover certain unrecognized tax positions. Such unrecognized tax positions relate to additional taxes that the Company may be required to pay in various tax jurisdictions. During the course of examinations by various taxing authorities, proposed adjustments may be asserted. The Company evaluates such items on a case-by-case basis and adjusts the accrual for unrecognized tax positions as deemed necessary. The estimated amount of liability associated with the Company's unrecognized tax positions that may significantly increase or decrease within the next twelve months cannot be reasonably estimated.

The total amount of unrecognized tax positions at December 31, 2014 is \$15.1 million. The amount of unrecognized tax positions that, if recognized, would affect the effective tax rate is approximately \$15.1 million. We recognized interest and penalties accrued related to income tax reserves in the amount of \$0.3 million and \$0.4 million, for the years ended December 31, 2014 and 2013, respectively, as a component of income tax expense.

The following table summarizes the changes in unrecognized tax positions during the years ended December 31, 2014 and 2013:

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In thousands

Unrecognized tax positions at January 1, 2013	\$ 16,104	
Gross increases - tax positions in prior period	267	
Gross decreases - tax positions in prior period	(1,129))
Gross increases - current period tax positions	2,514	
Settlement	—	
Lapse of statute of limitations	(2,846))
Unrecognized tax positions at December 31, 2013	\$ 14,910	
Gross increases - tax positions in prior period	200	
Gross decreases - tax positions in prior period	(762))
Gross increases - current period tax positions	3,081	
Settlement	(1,165))
Lapse of statute of limitations	(1,169))
Unrecognized tax positions at December 31, 2014	\$ 15,095	

NOTE 6 – STOCK BASED COMPENSATION

At December 31, 2014, we had the following stock option plans:

- the 2014 Incentive Stock Plan, which our stockholders approved in May 2014;
- the 2011 Incentive Stock Plan, which our stockholders approved in May 2011;
- the 2008 Incentive Stock Plan, which our stockholders approved in May 2008;
- the 2005 Incentive Stock Plan, which our stockholders approved in April 2005;
- the 2000 Nonstatutory Stock Option Plan, which expired in February 2010;
- the 1997 Stock Option Plan, which expired in January 2007;
- the 1996 Directors Stock Option Plan, which expired in May 2006; and

At December 31, 2014, we have reserved a total of 9,450,645 shares for issuance under these plans.

In terms of the stock options authorized, the 2014 Plan, 2011 Plan, 2008 Plan, and the 2005 Plan provide for the grant of non-statutory stock options ("NSOs") and incentive stock options ("ISOs") intended to qualify under section 422 of the Internal Revenue Code; the 2000 Plan provides for the grant of NSOs; the 1997 Plan provided for the grant of NSOs and ISOs; and the Directors Plan provided for the grant of NSOs.

The 2014, 2011, 2008 and 2005 Plans authorize awards to our officers, employees and consultants, and following the expiration of the Directors Plan in May 2006, to our directors; the 2000 Plan authorized awards to our employees and consultants but not to our officers and directors; the 1997 Plan authorized awards to our officers, directors, employees and consultants; and the Directors Plan authorized awards to our outside directors.

The exercise price per share of an option granted under any of our stock option plans may not be less than the closing price of a share of our common stock on the date of grant. The maximum term of an option granted under any plan may not exceed 10 years. An option may be exercised only when it is vested and, in the case of an option granted to an employee (including an officer), only while he or she remains an employee and for a limited period following the termination of his or her employment. New shares are issued upon exercise of stock options.

Employee Stock Purchase Plan:

In October 2000, our Board of Directors adopted the Employee Stock Purchase Plan ("ESPP"), which our stock holders approved in May 2001, and was made effective as of July 1, 2001. The ESPP authorizes

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900,000 shares of our common stock, which substantially most employees may purchase through payroll deductions at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of the six-month offering periods. An employee's payroll deductions, and stock purchase, may not exceed \$5,000 during any offering period. During 2014, 2013 and 2012, 60,189 shares, 52,956 shares, and 56,362 shares respectively, were issued through the ESPP. At December 31, 2014, we had 259,503 shares available for issuance under ESPP plan.

Stock Based Compensation Expense:

During 2014, there were no changes to our stock compensation plans or modifications to outstanding stock-based awards which would change the value of any awards outstanding. Compensation expense for all stock-based compensation awards granted subsequent to January 1, 2006 is based on the grant-date fair value determined in accordance with the provisions of FASB accounting standards for share-based payments.

The following table presents the total stock-based compensation expense resulting from stock option awards, restricted stock units ("RSUs"), and the ESPP included in the Consolidated Statements of Income:

	Years Ended December 31,		
	2014	2013	2012
Cost of revenues - stock option plan	\$52	\$120	\$136
Selling, general and administrative - stock option plan	15,214	15,212	13,630
Selling, general and administrative - RSUs	1,267	1,116	1,474
Selling, general and administrative - ESPP	1,240	1,009	1,099
Total pre-tax expense	\$17,773	\$17,457	\$16,339

The following table sets forth the tax benefits related to stock compensation:

	Years Ended December 31,		
	2014	2013	2012
Tax benefit recognized in Statements of Income	\$4,849	\$4,518	\$5,818
Excess tax benefit realized	17,906	17,153	30,161

Stock Options:

Options granted to directors vest in one year and options granted to officers and employees generally vest over five years. Expense related to the graded vesting options is recognized using the straight-line method over the vesting period. Stock option activity for the year ended December 31, 2014, is summarized as follows:

	Number of Options	Weighted Average Exercise Price per Share
Outstanding at beginning of year	5,540,482	\$70.29
Granted	981,583	115.41
Exercised	(991,201)	) 53.49
Forfeited	(151,350)	) 96.43
Canceled or expired	(1,657)	) 80.96
Outstanding at December 31, 2014	5,377,857	\$80.88
Exercisable at December 31, 2014	2,719,760	\$65.54
Vested and expected to vest at December 31, 2014	5,176,959	\$80.02

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At December 31, 2014, there was \$44.1 million of total unrecognized compensation expense related to non-vested option awards, which is expected to be recognized over a weighted average period of 2.81 years.

The following table sets forth the total intrinsic value of options exercised for the years ended December 31:

In thousands

	2014	2013	2012
Total exercise intrinsic value of options exercised	\$65,884	\$55,757	\$97,816

The total exercise intrinsic value represents the total pre-tax value (the difference between the sales price on the trading day the option was exercised and the exercise price associated with the respective option).

The following table sets forth the information related to outstanding and exercisable options for the years ended December 31:

	2014	2013	2012
Weighted average remaining contractual life of outstanding options (in years)	6.10	6.60	6.70
Total aggregate intrinsic value of outstanding options (in thousands)	\$269,900	\$254,200	\$175,200
Weighted average remaining contractual life of exercisable options (in years)	5.10	5.30	5.50
Total aggregate intrinsic value of exercisable options (in thousands)	\$178,300	\$161,100	\$114,500

The total aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between our closing stock price on the last day of trading for the year ended December 31, 2014 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders assuming all option holders had exercised their options on December 31, 2014; this amount changes based on the fair market value of our stock.

Options outstanding and exercisable at December 31, 2014 by price range are presented below:

Range of Exercise Price	Options Outstanding			Options Exercisable	
	Shares	Outstanding Average Remaining Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
\$22.90 - \$46.83	663,353	3.03	\$41.99	659,353	\$42.06
\$46.87 - \$51.20	72,225	4.34	49.70	68,225	49.61
\$51.55 - \$51.55	539,334	5.10	51.55	380,195	51.55
\$51.75 - \$83.88	550,039	3.95	57.71	524,647	57.16
\$83.95 - \$84.91	48,731	7.34	84.01	43,081	83.96
\$85.00 - \$85.00	614,657	6.10	85.00	327,701	85.00
\$85.02 - \$86.02	11,450	7.18	85.44	3,300	85.32
\$86.24 - \$86.24	801,630	7.12	86.24	317,562	86.24
\$86.83 - \$95.03	179,092	6.83	90.13	124,033	89.22
\$95.87 - \$132.95	1,897,346	7.73	106.15	271,663	100.63
\$22.90 - \$132.95	5,377,857	6.14	\$80.88	2,719,760	\$65.54

The Company uses historical data to estimate expected life and volatility. The estimated fair value of stock options at the time of the grant using the Black-Scholes model option pricing model was as follows:

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	Years Ended December 31,			
	2014	2013	2012	
Stock options granted (shares)	981,583	1,057,630	1,142,205	
Weighted average fair value at grant date	\$21.31	\$22.02	\$20.14	
Assumptions:				
Expected term (in years)	4.76	5.81	6.00	
Expected volatility	17.23	% 27.03	% 27.87	%
Expected dividend yield	—	% —	% —	%
Risk free interest rate	1.53	% 1.00	% 1.05	%

Restricted Stock Units:

The fair value of Restricted stock units ("RSUs") is based on the closing price of the Company's common stock on the date of grant and is amortized to expense over the service period. RSUs vest at the end of three or five years. Our 2008, 2011 and 2014 Plans include a share reserve related to RSUs granted at a 2-1 ratio. The following table sets forth the information related to RSUs for the years ended December 31:

	2014	2013	2012
Total aggregate intrinsic value of outstanding units (in thousands)	\$8,337	\$8,185	\$6,362
Per share fair value of units granted	115.67	96.40	86.24

A summary of the status of our non-vested RSUs and changes during the year ended December 31, 2014, are as follows:

	Number of Units	Weighted Average Grant Date Fair Value
Non-vested at beginning of year	70,457	\$88.32
Granted	16,334	115.67
Vested and released	(17,288	) 85.00
Forfeited	(5,903	) 90.53
Non-vested at December 31, 2014	63,600	\$96.04

At December 31, 2014, there was \$4.1 million of total unrecognized compensation expense related to RSUs, which is expected to be recognized over a weighted average period of 2.87 years. The fair value of units that vested during the years ended December 31, 2014, 2013 and 2012 was \$2.0 million, \$1.2 million, and \$0.4 million, respectively.

NOTE 7 – PREFERRED STOCK

At December 31, 2014 and 2013, we had 1,000,000 authorized shares of preferred stock and no shares issued or outstanding.

NOTE 8 – EARNINGS PER COMMON SHARE

Basic earnings per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares

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of common stock that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, shares to be purchased under the Company's employee stock purchase plan and RSUs. The effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities.

The following table sets forth the computation of basic and diluted earnings per share:

	Years Ended December 31,		
	2014	2013	2012
Numerator:			
Numerator for basic earnings per share net income attributable to Stericycle, Inc.	\$326,456	\$311,372	\$267,996
Denominator:			
Denominator for basic earnings per share-weighted average shares	84,932,792	85,902,550	85,401,365
Effect of diluted securities:			
Employee stock options	1,300,820	1,489,438	1,617,108
Denominator for diluted earnings per share-adjusted weighted average shares and after assumed exercises	86,233,612	87,391,988	87,018,473
Earnings per share – Basic	\$3.84	\$3.62	\$3.14
Earnings per share – Diluted	\$3.79	\$3.56	\$3.08

For additional information regarding outstanding employee stock options, see Note 6 - Stock Based Compensation, in the Notes to the Consolidated Financial Statements.

In 2014, 2013 and 2012, options to purchase 830,755 shares, 846,808 shares, and 1,049,707 shares, respectively, at exercise prices of \$105.12-\$132.95, \$94.76-\$119.19, and \$77.49-\$94.76 were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive.

NOTE 9 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table sets forth the changes in the components of accumulated other comprehensive income for 2014, 2013 and 2012:

In thousands

	Currency Translation Adjustments	Unrealized Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Income/ (Loss)
Beginning balance at January 1, 2012	\$(43,584	) \$(2,400	) \$(45,984
Period change	6,292	628	6,920
Ending balance at December 31, 2012	\$(37,292	) \$(1,772	) \$(39,064
Period change	(17,718	) 314	(17,404
Ending balance at December 31, 2013	\$(55,010	) \$(1,458	) \$(56,468
Period change	(80,221	) (1,730	) (81,951
Ending balance at December 31, 2014	\$(135,231	) \$(3,188	) \$(138,419

The tax impact of the unrealized gains/ (losses) on cash flow hedges in accumulated other comprehensive income at December 31, 2014, 2013 and 2012 was \$1.0 million, \$0.2 million, and \$0.4 million, respectively.

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Translation adjustments are not tax-effected as the Company's net investment in foreign subsidiaries and all related foreign earnings are deemed permanently invested.

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31, 2014 and 2013 consisted of the following items:

In thousands

	2014	2013
Land and improvements	\$63,600	\$26,818
Building and improvements	142,680	113,740
Machinery and equipment	250,684	214,324
Vehicles	56,650	46,579
Containers	155,238	145,273
Office equipment and furniture	80,158	68,005
Software	40,291	25,676
Construction in progress	35,231	41,583
Total property, plant & equipment	824,532	681,998
Less: accumulated depreciation	(364,124	) (323,031
Property, plant and equipment, net	\$460,408	\$358,967

NOTE 11 – GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other identifiable indefinite lived intangibles are not amortized, but are subject to an annual impairment test, or more frequent testing if circumstances indicate that they may be impaired.

Goodwill:

We have two geographical reportable segments, "United States" and "International," both of which have goodwill.

The changes in the carrying amount of goodwill since January 1, 2013, by reportable segment, were as follows:

In thousands

	United States	International	Total
Balance at January 1, 2013	\$1,616,286	\$448,817	\$2,065,103
Goodwill acquired during year	57,250	116,534	173,784
Purchase accounting allocation adjustments	4,541	1,470	6,011
Changes due to foreign currency fluctuations	—	(13,316	) (13,316
Balance at December 31, 2013	1,678,077	553,505	2,231,582
Goodwill acquired during year	169,754	88,263	258,017
Purchase accounting allocation adjustments	(4,825	) (17,595	) (22,420
Changes due to foreign currency fluctuations	—	(48,347	) (48,347
Balance at December 31, 2014	\$1,843,006	\$575,826	\$2,418,832

Current year adjustments to goodwill for certain 2013 acquisitions are primarily due to the finalization of intangible asset valuations.

During the quarter ended June 30, 2014, we performed our annual goodwill impairment evaluation for our three reporting units: Domestic Regulated and Compliance Services, Domestic Regulated Recall and Returns Management Services, and International Regulated and Compliance Services. We calculated fair value for our reporting units using an income method and validated those results using a market approach.

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Both the income and market approaches indicated no impairment to goodwill to any of our three reporting units. Income Approach: The income approach uses expected future cash flows of each reporting unit and discounts those cash flows to present values. Expected future cash flows are calculated using management assumptions of internal growth, capital expenditures, and cost efficiencies. Future acquisitions are not included in the expected future cash flows. We use a discount rate based on our Company calculated weighted average cost of capital which is adjusted for each of our reporting units based on size risk premium and country risk premium. Significant assumptions used in the income approach include realization of future cash flows and the discount rate used to present value those cash flows. The results of our goodwill impairment test using the income approach indicated the fair value of our Domestic Regulated and Compliance Services and Recall and Returns Management Services reporting units exceeded book value by a substantial amount; in excess of 100%. Our International Regulated and Compliance Services reporting units' fair value exceeded book value by approximately 85% and had \$576.7 million in assigned goodwill at June 30, 2014.

Market Approach: Our market approach begins by calculating the market capitalization of the Company using the average stock price for the prior twelve months and the outstanding share count at June 30, 2014. We then look at the Company's Earnings Before Interest, Tax, Depreciation, and Amortization ("EBITDA"), adjusted for stock compensation expense and other items, such as changes in the fair value of contingent consideration, restructuring and plant closure costs, and litigation settlement, for the prior twelve months. The calculated market capitalization is divided by the modified EBITDA to arrive at a valuation multiple. The fair value of each reporting unit is then calculated by taking the product of the valuation multiple and the trailing twelve months' modified EBITDA of that reporting unit. The fair value was then compared to the reporting units' book value and determined to be in excess of the book value. We believe that starting with the fair value of the company as a whole is a reasonable measure as that fair value is then allocated to each reporting unit based on that reporting unit's individual earnings. A sustained drop in our stock price would have a negative impact to our fair value calculations. A temporary drop in earnings of a reporting unit would have a negative impact to our fair value calculations.

The results of our goodwill impairment test using the market approach corroborated the results of the impairment test under the income approach and indicated the fair value of our reporting units exceeded their respective book values by substantial amounts, in excess of 100% of their respective book values.

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Other Intangible Assets:

At December 31, 2014 and 2013, the values of other intangible assets were as follows:

In thousands

	2014			2013		
	Gross	Accumulated	Net	Gross	Accumulated	Net
	Carrying	Amortization	Value	Carrying	Amortization	Value
	Amount			Amount		
Amortizable intangibles:						
Covenants not-to-compete	\$8,474	\$5,688	\$2,786	\$9,405	\$5,366	\$4,039
Customer relationships	755,148	107,365	647,783	670,889	81,271	589,618
Trade names	6,062	1,313	4,749	5,283	1,031	4,252
Technology	611	521	90	611	416	195
Other	539	35	504	91	14	77
Indefinite lived intangibles:						
Operating permits	247,933	—	247,933	116,054	—	116,054
Trade names	5,800	—	5,800	5,800	—	5,800
Total	\$1,024,567	\$114,922	\$909,645	\$808,133	\$88,098	\$720,035

In 2014 and 2013, we wrote off \$9.9 million and \$2.9 million in operating permits due to rationalizing certain of our domestic and international operations. These expenses are reflected as part of SG&A expenses. Under generally accepted accounting principles, a fair value must be assigned to all acquired assets based on a theoretical "market participant" regardless of the acquirers' intended use for these assets. This accounting treatment can lead to the recognition of losses when a company disposes of acquired assets. We complete our annual impairment analysis of our indefinite lived intangibles during the quarter ended December 31 of each year, or more frequently, if circumstances indicate that they may be impaired.

Our finite-lived intangible assets are amortized over their useful lives. We have determined that our customer relationships have useful lives from 10 to 40 years based upon the type of customer, with a weighted average remaining useful life of 23.8 years. We have covenants not-to-compete intangibles with useful lives from 3 to 14 years, with a weighted average remaining useful life of 4.7 years. We have tradename intangibles with useful lives from 10 to 40 years, with a weighted average remaining useful life of 15.8 years. We have technology with a useful life of 5 years, with a weighted average remaining useful life of 1.0 years. We have determined that our permits have indefinite lives due to our ability to renew these permits with minimal additional cost, and therefore these are not amortized.

During the years ended December 31, 2014, 2013 and 2012 the aggregate amortization expense was \$32.7 million, \$27.1 million and \$22.1 million, respectively.

The estimated amortization expense for each of the next five years, assuming no additional amortizable intangible assets, is as follows for the years ended December 31:

In thousands

2015	\$34,431
2016	34,091
2017	33,946
2018	33,891
2019	33,870

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Future amortization expense may fluctuate depending on changes in foreign currency rates, future acquisitions, or changes to the estimated amortizable life of the intangibles. The estimates for amortization expense noted above are based upon foreign exchange rates at December 31, 2014.

NOTE 12 – ACCRUED LIABILITIES

Accrued liabilities at December 31, 2014 and 2013 consisted of the following items:

In thousands

	2014	2013
Accrued compensation	\$37,932	\$36,210
Accrued insurance	40,387	29,363
Accrued taxes	17,847	19,538
Accrued interest	9,096	8,593
Accrued professional services liabilities	3,703	3,097
Accrued liabilities - other	22,778	10,644
Total accrued liabilities	\$131,743	\$107,445

NOTE 13 – ENVIRONMENTAL REMEDIATION LIABILITIES

We record a liability for environmental remediation when such liability becomes probable and the costs or damages can be reasonably estimated. We accrue environmental remediation costs, on an undiscounted basis, associated with identified sites where an assessment has indicated that cleanup costs are probable and can be reasonably estimated, but the timing of such payments is not fixed and determinable. Such accruals are based on currently available information, estimated timing of remedial actions, existing technology, and enacted laws and regulations. The liability for environmental remediation is included in the Consolidated Balance Sheets in current liabilities within "Accrued liabilities" and in noncurrent liabilities within "Other liabilities."

At December 31, 2014, the total environmental remediation liabilities recorded were \$32.6 million, of which \$2.9 million was classified as accrued liabilities and \$29.7 million was classified as other liabilities.

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NOTE 14 – DEBT

Long-term debt consisted of the following at December 31:

In thousands

	2014	2013
Obligations under capital leases	\$9,185	\$7,343
\$1.2 billion senior credit facility weighted average rate 1.50%, due in 2019	459,975	272,358
\$100 million private placement notes 5.64%, due in 2015	100,000	100,000
\$175 million private placement notes 3.89%, due in 2017	175,000	175,000
\$125 million private placement notes 2.68%, due in 2019	125,000	125,000
\$225 million private placement notes 4.47%, due in 2020	225,000	225,000
\$125 million private placement notes 3.26%, due in 2022	125,000	125,000
Promissory notes and deferred consideration weighted average rate of 4.07% and weighted average maturity of 3.5 years	279,590	252,195
Foreign bank debt weighted average rate 9.48% and weighted average maturity of 1.8 years	160,465	149,147
Total debt	1,659,215	1,431,043
Less: current portion of total debt	131,969	150,380
Long-term portion of total debt	\$1,527,246	\$1,280,663

Payments due on long-term debt, excluding capital lease obligations, during each of the five years subsequent to December 31, 2014 are as follows:

In thousands

2015	\$128,339
2016	253,245
2017	263,010
2018	33,907
2019	601,527
Thereafter	370,002
	\$1,650,030

We paid interest of \$57.8 million, \$51.0 million, and \$47.5 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Property under capital leases included with property, plant and equipment in the accompanying consolidated balance sheets is as follows at December 31:

In thousands

	2014	2013
Land	\$174	\$198
Buildings	896	550
Machinery and equipment	1,230	2,262
Vehicles	13,108	10,530
Less: accumulated depreciation	(5,375)	(3,905)
	\$10,033	\$9,635

Amortization related to these capital leases is included with depreciation expense.

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Minimum future lease payments under capital leases are as follows:

In thousands		
2015	\$4,788	
2016	3,379	
2017	2,664	
2018	90	
2019	62	
Thereafter	453	
Total minimum lease payments	11,436	
Less: amounts representing interest	(2,251)
Present value of net minimum lease payments	9,185	
Less: current portion included in other current liabilities	(3,630)
Long-term obligations under capital leases	\$5,555	

Our \$1.2 billion senior credit facility maturing in June 2019, our \$100.0 million private placement notes maturing April 2015, our \$175.0 million private placement notes maturing in October 2017, our \$125.0 million private placement notes maturing in December 2019, our \$225.0 million private placement notes maturing in October 2020, and our \$125.0 million private placement notes maturing in December 2022, all require us to comply with various financial, reporting and other covenants and restrictions, including a restriction on dividend payments. The financial debt covenants are the same for the senior credit facility and the private placement notes. At December 31, 2014, we were in compliance with all of our financial debt covenants.

On June 3, 2014, we and certain of our subsidiaries entered into a second amended and restated credit agreement (the "new credit agreement") with Bank of America, N.A., as administrative agent, swingline lender, a lender and a letter of credit issuer, other lenders party to the new credit agreement, JPMorgan Chase Bank, N.A. and HSBC Bank USA, National Association, as syndication agents, and Union Bank, N.A. and Santander Bank, National Association, as co-documentation agents. The new credit agreement amended and restated our prior amended and restated credit agreement dated as of September 21, 2011. The new credit agreement increases our unsecured revolving credit facility from \$1.0 billion to \$1.2 billion and extends the maturity date of our borrowings from September 21, 2016 to June 3, 2019. We paid \$2.1 million in financing fees which will be amortized to interest expense over the life of the new credit agreement.

At December 31, 2014 and 2013, we had \$162.9 million and \$155.0 million, respectively, committed to outstanding letters of credit under our senior credit facility. The unused portion of the revolving credit facility was \$577.1 million and \$572.6 million at December 31, 2014 and 2013, respectively.

Our \$100.0 million private placement notes that mature in April 2015 were classified as long-term debt due to our intent to pay this obligation by borrowing on our \$1.2 billion senior credit facility.

NOTE 15 – LEASE COMMITMENTS

We lease various plant equipment, office furniture and equipment, motor vehicles, office and warehouse space, and landfills under operating lease agreements, which expire at various dates over the next 20 years. The leases for most of the properties contain renewal provisions.

Rent expense for 2014, 2013 and 2012 was \$111.5 million, \$92.4 million, and \$85.5 million, respectively.

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Minimum future rental payments under non-cancelable operating leases that have initial or remaining terms in excess of one year at December 31, 2014 for each of the next five years and in the aggregate are as follows:

In thousands

2015	\$81,926
2016	69,069
2017	59,864
2018	45,680
2019	34,728
Thereafter	44,098
	\$335,365

NOTE 16 – PRODUCTS AND SERVICES AND GEOGRAPHIC INFORMATION

The FASB Accounting Standards Codification Topic 280, Segment Reporting, requires segment information to be reported based on information utilized by executive management to internally assess performance and make operating decisions. We have determined that we have three operating segments based on the organizational structure of our company and information reviewed. These operating segments are Domestic Regulated and Compliance Services, Domestic Regulated Recall and Returns Management Services, and International Regulated and Compliance Services ("International"). We have aggregated Domestic Regulated and Compliance Services, and Domestic Regulated Recall and Returns Management Services into one reportable segment, ("United States"), based on our consideration of the following aggregation criteria:

- the long term economics
- the nature of the products and services
- the nature of the production processes
- the type or class of customer for their products and services
- the methods used to distribute their products or provide their services
- the nature of the regulatory environment.

Management has determined that we have two reportable segments, United States (which includes Puerto Rico) and International. Revenues are attributed to countries based on the location of customers. The same accounting principles and critical accounting policies are used in the preparation of the financial statements for both reportable segments. Summary information for our reportable segments is as follows:

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In thousands

	Years Ended December 31,		
	2014	2013	2012
Revenues:			
United States	\$1,796,796	\$1,506,587	\$1,370,806
International:			
Europe	407,082	341,387	301,615
Other international countries	351,723	294,833	240,728
Total International	758,805	636,220	542,343
Total	\$2,555,601	\$2,142,807	\$1,913,149
Income before income taxes:			
United States	\$436,229	\$404,620	\$359,748
International	51,339	73,126	57,449
Total	\$487,568	\$477,746	\$417,197
Total assets:			
United States	\$3,008,547	\$2,541,323	\$2,427,297
International	1,393,175	1,346,650	1,119,441
Total	\$4,401,722	\$3,887,973	\$3,546,738
Property, Plant and Equipment, net:			
United States	\$297,558	\$214,810	\$207,387
International:			
Europe	70,621	74,915	64,690
Other international countries	92,229	69,242	63,793
Total International	162,850	144,157	128,483
Total	\$460,408	\$358,967	\$335,870

Revenues are attributable to countries based on the location of customers. Intercompany revenues recorded by the United States for work performed in Canada are eliminated prior to reporting United States revenues. The same accounting principles and critical accounting policies are used in the preparation of the financial statements for both reportable segments.

Detailed information for our United States reportable segment is as follows:

In thousands

	Years Ended December 31,		
	2014	2013	2012
Regulated and compliance solutions	\$1,715,437	\$1,408,812	\$1,254,486
Recall and returns solutions	81,359	97,775	116,320
Total revenue	\$1,796,796	\$1,506,587	\$1,370,806
Net interest expense	44,926	43,131	41,084
Income before income taxes	436,229	404,620	359,748
Income taxes	161,672	152,874	138,807
Net income attributable to Stericycle, Inc.	\$274,557	\$251,746	\$220,941
Depreciation and amortization	\$59,888	\$50,166	\$45,234
Capital expenditures	57,019	43,442	38,528

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Detailed information for our International reportable segment is as follows:

In thousands

	Years Ended December 31,		
	2014	2013	2012
Regulated and compliance solutions	\$758,805	\$636,220	\$542,343
Net interest expense	21,096	11,818	10,186
Income before income taxes	51,339	73,126	57,449
Income taxes	(2,250	) 11,788	8,449
Net income	53,589	61,338	49,000
Less: net income attributable to noncontrolling interests	1,690	1,712	1,945
Net income attributable to Stericycle, Inc.	\$51,899	\$59,626	\$47,055
Depreciation and amortization	\$44,728	\$38,242	\$31,049
Capital expenditures	29,477	29,667	26,708

NOTE 17 – EMPLOYEE BENEFIT PLAN

We have a 401(k) defined contribution retirement savings plan covering substantially all domestic employees. Each participant may elect to defer a portion of his or her compensation subject to certain limitations. We may contribute up to 50% of the first 5% of compensation contributed to the plan by each employee up to a maximum of \$1,750 per annum. Our contributions for the years ended December 31, 2014, 2013 and 2012 were approximately \$3.6 million, \$3.0 million, and \$2.8 million, respectively.

The Company has several foreign defined contribution plans, which require the Company to contribute a percentage of the participating employee's salary according to local regulations. For the years ended December 31, 2014, 2013 and 2012, total contributions made by the Company for these plans were approximately \$1.9 million, \$0.9 million, and \$0.8 million, respectively.

NOTE 18 – LEGAL PROCEEDINGS

We operate in a highly regulated industry and must deal with regulatory inquiries or investigations from time to time that may be instituted for a variety of reasons. We are also involved in a variety of civil litigation from time to time. Liabilities from litigation are accrued when known, probable and estimable.

Class Action Lawsuits. As we have previously disclosed, we were served on March 12, 2013 with a class action complaint filed in the U.S. District Court for the Western District of Pennsylvania by an individual plaintiff for itself and on behalf of all other "similarly situated" customers of ours. The complaint alleges, among other things, that we imposed unauthorized or excessive price increases and other charges on our customers in breach of our contracts and in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act. The complaint sought certification of the lawsuit as a class action and the award to class members of appropriate damages and injunctive relief.

The Pennsylvania class action complaint was filed in the wake of a settlement with the State of New York of an investigation under the New York False Claims Act (which the class action complaint describes at some length). The New York investigation arose out of a qui tam (or "whistle blower") complaint under the federal False Claims Act and comparable state statutes which was filed under seal in the U.S. District Court for the Northern District of Illinois in April 2008 by a former employee of ours. The qui tam complaint was filed on behalf of the United States and 14 states and the District of Columbia. On September 4, 2013, we filed our answer to Plaintiff-Relator's Second Amended Complaint, generally denying the allegations

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therein. Also, as previously disclosed, Tennessee, Massachusetts, Virginia and North Carolina have issued civil investigative demands to explore the allegations made on their behalf in the qui tam complaint but have not yet decided whether to join the Illinois action. The qui tam case is in the early stages of discovery.

Following the filing of the Pennsylvania class action complaint, we were served with class action complaints filed in federal court in California, Florida, Illinois, Mississippi and Utah and in state court in California. These complaints asserted claims and allegations substantially similar to those made in the Pennsylvania class action complaint. All of these cases appear to be follow-on litigation to our settlement with the State of New York. On August 9, 2013, the Judicial Panel on Multidistrict Litigation ("MDL") granted our Motion to Transfer these related actions to the Northern District of Illinois for centralized pretrial proceedings. On December 10, 2013, we filed our answer to the Amended Consolidated Class Action Complaint in the MDL action, generally denying the allegations therein. The MDL action is in the early stages of discovery.

We believe that we have operated in accordance with the terms of our customer contracts and that these complaints are without merit. We intend to vigorously defend ourselves against each of these lawsuits.

We have not accrued any amounts in respect of these lawsuits, and we cannot estimate the reasonably possible loss or the range of reasonably possible losses that we may incur. We are unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable, (ii) the proceedings are at an early stage and (iii) in our judgment, there are no comparable proceedings against other defendants that might provide guidance in making estimates.

Utah Proceedings. As previously disclosed, on December 3, 2014, we entered into an administrative settlement order (the "Settlement") with the State of Utah Division of Air Quality (the "DAQ") concerning a notice of violation and order to comply issued by the DAQ on May 28, 2013 and superseded by an amended notice of violation and order to comply issued on August 28, 2013 (the "NOV"). Under the Settlement, without admitting to any of the allegations contained in the NOV, we agreed to pay a civil penalty of \$2,322,536, of which half, or \$1,161,268, was paid within 30 days after December 3, 2014. The remaining \$1,161,268 will not be paid but instead will be credited to us as a Supplemental Environmental Project credit when we permanently close our North Salt Lake incineration facility which is required to occur no later than three years after we receive all permits and approvals necessary to commence construction of a new incineration facility to be located in Tooele County, Utah. The Settlement provides full and final resolution of any and all claims under the authority of the DAQ arising out of the allegations contained in the NOV and cannot be used by other parties to allege violations or negligence on our part in any other litigation or proceeding.

Junk Fax Lawsuit. On April 2, 2014, we were served with a class action complaint filed in the U.S. District Court for the Northern District of Illinois (Case 1:14-cv-02070) by an individual plaintiff for himself and on behalf of all other "similarly situated" persons. The complaint alleges, among other things, that we sent facsimile transmissions of unsolicited advertisements to plaintiff and others similarly situated in violation of the Telephone Consumer Protection Act of 1991, as amended by the Junk Fax Prevention Act of 2005 (the "TCPA"). The complaint seeks certification of the lawsuit as a class action and the award to class members of the greater of actual damages or the sum of \$500 for each violation and injunctive and other relief. Under the TCPA, the statutory remedy of \$500 per violation may be trebled if the Court finds the violations to be willful or knowing. On May 22, 2014, we filed our answer to the complaint, generally denying the allegations therein. Discovery in the case is proceeding.

We have not accrued any amounts in respect of the TCPA action, and we cannot estimate the reasonably possible loss or the range of reasonably possible losses that we may incur. We are unable to make such an estimate because (i) the proceedings are at an early stage and discovery is ongoing and (ii) other reported

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TCPA claims have resulted in a broad range of outcomes, with each case being dependent on its own unique facts and circumstances.

We review all of our outstanding legal proceedings with counsel quarterly, and we will disclose an estimate of any reasonably possible loss or range of reasonably possible losses if and when we are able to make such an estimate and the reasonably possible loss or range of reasonably possible losses is material to our financial statements.

Environmental Matters.

On April 22, 2014, we completed our acquisition of PSC Environmental Services, LLC ("PSC Environmental") and consequently became subject to the legal proceedings in which PSC Environmental was a party on that date. PSC Environmental's operations are regulated by federal, state and local laws enacted to regulate the discharge of materials into the environment, remediate contaminated soil and groundwater or otherwise protect the environment. As a result of this continuing regulation, PSC Environmental frequently becomes a party to legal or administrative proceedings involving various governmental authorities and other interested parties. The issues involved in these proceedings generally relate to alleged violations of existing permits and licenses or alleged responsibility under federal or state Superfund laws to remediate contamination at properties owned either by PSC Environmental or by other parties to which either PSC Environmental or the prior owners of certain of its facilities shipped wastes.

From time to time, PSC Environmental pays fines or penalties in regulatory proceedings relating primarily to waste treatment, storage or disposal facilities. We believe that the fines or other penalties that PSC Environmental may pay in connection with any pending regulatory proceedings of this nature will not, individually or in the aggregate, be material to our financial statements.

On September 18, 2014, our wholly-owned subsidiary, Stericycle Specialty Waste Solutions, Inc., received a notice of violation ("NOV") from the New Mexico Environment Department ("NMED") concerning our 10-day transfer facility in Albuquerque. The violations alleged in the NOV generally relate to the management of Conditionally Exempt Small Quantity Generator ("CESQG") waste under a CESQG agreement that we have with NMED, as well as some recordkeeping matters. We have met with NMED and are currently in discussions regarding a resolution of the matters alleged in the NOV. We believe that the penalties ultimately assessed under the NOV could exceed \$100,000 but that, in any event, they will not be material to our financial statements.

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NOTE 19 – SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes our unaudited consolidated quarterly results of operations as reported for 2014 and 2013:

In thousands, except per share data

	First Quarter 2014	Second Quarter 2014	Third Quarter 2014	Fourth Quarter 2014	Year 2014
Revenues	\$569,955	\$640,822	\$667,877	\$676,947	\$2,555,601
Gross profit	255,469	275,304	278,669	284,969	1,094,411
Acquisition expenses	(3,221)	) (3,979)	) (3,472)	) (2,661)	) (13,333)
Integration expenses	(2,485)	) (4,679)	) (7,461)	) (11,343)	) (25,968)
Change in fair value of contingent consideration	(4,789)	) 836	—	5,405	1,452
Plant conversion and restructuring expenses	(574)	) (1,115)	) (2,380)	) (10,495)	) (14,564)
Litigation expenses	(1,505)	) (396)	) (1,342)	) (3,331)	) (6,574)
Net income attributable to Stericycle, Inc.	79,149	81,936	82,845	82,526	326,456
* Basic earnings per common share	\$0.93	\$0.97	\$0.98	\$0.97	\$3.84
* Diluted earnings per common share	\$0.91	\$0.95	\$0.96	\$0.96	\$3.79

In thousands, except per share data

	First Quarter 2013	Second Quarter 2013	Third Quarter 2013	Fourth Quarter 2013	Year 2013
Revenues	\$513,804	\$526,525	\$534,579	\$567,899	\$2,142,807
Gross profit	232,094	237,852	241,403	253,285	964,634
Acquisition expenses	(1,803)	) (2,324)	) (2,111)	) (4,037)	) (10,275)
Integration expenses	(896)	) (1,383)	) (1,423)	) (2,819)	) (6,521)
Change in fair value of contingent consideration	—	122	185	1,971	2,278
Restructuring costs and plant closure expense	—	(104)	) (787)	) (2,012)	) (2,903)
Impairment of intangible assets	—	—	—	(1,405)	) (1,405)
Litigation settlement	(106)	) 2	(12)	) (2,120)	) (2,236)
Net income attributable to Stericycle, Inc.	74,617	78,044	80,547	78,164	311,372
* Basic earnings per common share	\$0.87	\$0.91	\$0.94	\$0.91	\$3.62
* Diluted earnings per common share	\$0.85	\$0.89	\$0.92	\$0.90	\$3.56

* EPS calculated on a quarterly basis, and, as such, the amounts may not total the calculated full-year EPS.

NOTE 20 – SUBSEQUENT EVENTS

We have evaluated subsequent events through the date of filing our annual report on Form 10-K. No events have occurred that would require adjustment to or disclosure in the consolidated financial statements.

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SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

In thousands

Allowance for doubtful accounts	Balance Beginning of Period	Charges to Expenses	Other Charges/ (Reversals) (1)	Write-offs/ Payments	Balance End of Period
2012	\$ 18,905	\$ 4,634	\$ 414	\$ (4,510)	) \$ 19,443
2013	\$ 19,443	\$ 4,823	\$ 322	\$ (5,454)	) \$ 19,134
2014	\$ 19,134	\$ 9,869	\$ 842	\$ (10,762)	) \$ 19,083

(1) Amounts consist primarily of valuation allowances assumed from acquired companies and currency translation adjustments.

In thousands

Valuation Allowance on Deferred Tax Assets	Balance Beginning of Period	Additions/ (Deductions) Charged to/ (from) Income Tax Expense	Other Changes to Reserves (2)	Balance End of Period
2012	\$ 3,775	\$ —	\$ (435)	) \$ 3,340
2013	\$ 3,340	\$ (1,451)	) \$ (767)	) \$ 1,122
2014	\$ 1,122	\$ —	\$ (1,066)	) \$ 56

(2) Amounts consist primarily of valuation allowances on acquired deferred tax assets from business combinations.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) List of Financial Statements, Financial Statement Schedule and Exhibits

We have filed the following financial statements and financial statement schedule as part of this report:

	Page
Report of Independent Registered Public Accounting Firm	<u>5</u>
Report of Independent Registered Public Accounting Firm	<u>7</u>
Consolidated Financial Statements of Stericycle, Inc. and Subsidiaries	
Consolidated Balance Sheets as of December 31, 2014 and 2013	<u>8</u>
Consolidated Statements of Income for Each of the Years in the Three-Year Period Ended December 31, 2014	<u>9</u>
Consolidated Statements of Comprehensive Income for Each of the Years in the Three-Year Period Ended December 31, 2014	<u>10</u>
Consolidated Statements of Cash Flows for Each of the Years in the Three-Year Period Ended December 31, 2014	<u>11</u>
Consolidated Statements of Changes in Equity for Each of the Years in the Three-Year Period Ended December 31, 2014	<u>12</u>
Notes to Consolidated Financial Statements	<u>13</u>
Schedule II - Valuation and Qualifying Accounts	<u>42</u>

All other financial statement schedules have been omitted because they are not applicable to us or the required information is shown in the consolidated financial statements or notes thereto.

The exhibits listed in the Exhibit Index of the Original 10-K and this Amendment are filed with, or incorporated by reference in, this report.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: June 11, 2015

STERICYCLE, INC.

(Registrant)

By: /s/ DANIEL V. GINNETTI

Daniel V. Ginnetti

Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Dated: June 11, 2015

Name	Title	Date
/s/ CHARLES A. ALUTTO Charles A. Alutto	President, Chief Executive Officer and Director (Principal Executive Officer)	June 11, 2015
/s/ DANIEL V. GINNETTI Daniel V. Ginnetti	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	June 11, 2015
/s/ MARK C. MILLER Mark C. Miller	Executive Chairman of the Board of Directors	June 11, 2015
/s/ JACK W. SCHULER Jack W. Schuler	Lead Director of the Board of Directors	June 11, 2015
/s/ LYNN D. BLEIL Lynn D. Bleil	Director	June 11, 2015
/s/ THOMAS D. BROWN Thomas D. Brown	Director	June 11, 2015
/s/ THOMAS F. CHEN Thomas F. Chen	Director	June 11, 2015
/s/ ROD F. DAMMEYER Rod F. Dammeyer	Director	June 11, 2015
/s/ WILLIAM K. HALL William K. Hall	Director	June 11, 2015
/s/ JOHN PATIENCE John Patience	Director	June 11, 2015
/s/ MIKE S. ZAFIROVSKI	Director	June 11, 2015

Mike S. Zafirovski

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EXHIBIT INDEX

The following exhibits are included, or incorporated by reference, in this Amendment (and are numbered in accordance with Item 601 of Regulation S-K). Pursuant to Item 601(a)(2) of Regulation S-K, this Exhibit Index immediately precedes the exhibits.

Exhibit Index	Description
23.1*	Consent of Independent Registered Public Accounting Firm
31.3*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.4*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32.1**	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer
EX-101.INS†	XBRL INSTANCE DOCUMENT
EX-101.SCH†	XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT
EX-101.CAL†	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE DOCUMENT
EX-101.DEF†	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE DOCUMENT
EX-101.LAB†	XBRL TAXONOMY EXTENSION LABEL LINKBASE DOCUMENT
EX-101.PRE†	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE DOCUMENT

* Filed herewith

** Furnished herewith

† Previously provided with the original 10-K