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# VPS Program Quarter 4 2015 Review

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Q4 2015 VPS Summary &  
Recommendations for Approval

March 4, 2016



# Agenda

- Program Update
- Quarterly Overview of Results
- Q1 2016 Forecast
- Financials
- Approval Request



# VPS Detailed Agenda Q4 '15

- Welcome
  - Antitrust Guidelines
  - Roll call
  - Agenda Approval
  
- Program Update (Anthony)
  
- Data Review, Forecast & Recommendations for VPS Q4 2015 (Anthony)
  
- Q1 2016 Forecast (Anthony)
  
- Fund Approval Request (Anthony)



# VPS Program Update

- 68 CSEs participate in the VPS Program
  - 54 CSEs requested funds for Q4
    - 57 requested funds in Q3
- One CSE has stopped collecting carpet due to market conditions
- End-market issues in the marketplace persist
  - Limited outlets for PET or Nylon 6
- AUPs are currently being conducted on 3 CSEs
  - 3 companies have been selected for Q1 AUPs
- All CSEs that requested funds are CARE members in good standing



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# VPS Summary Results

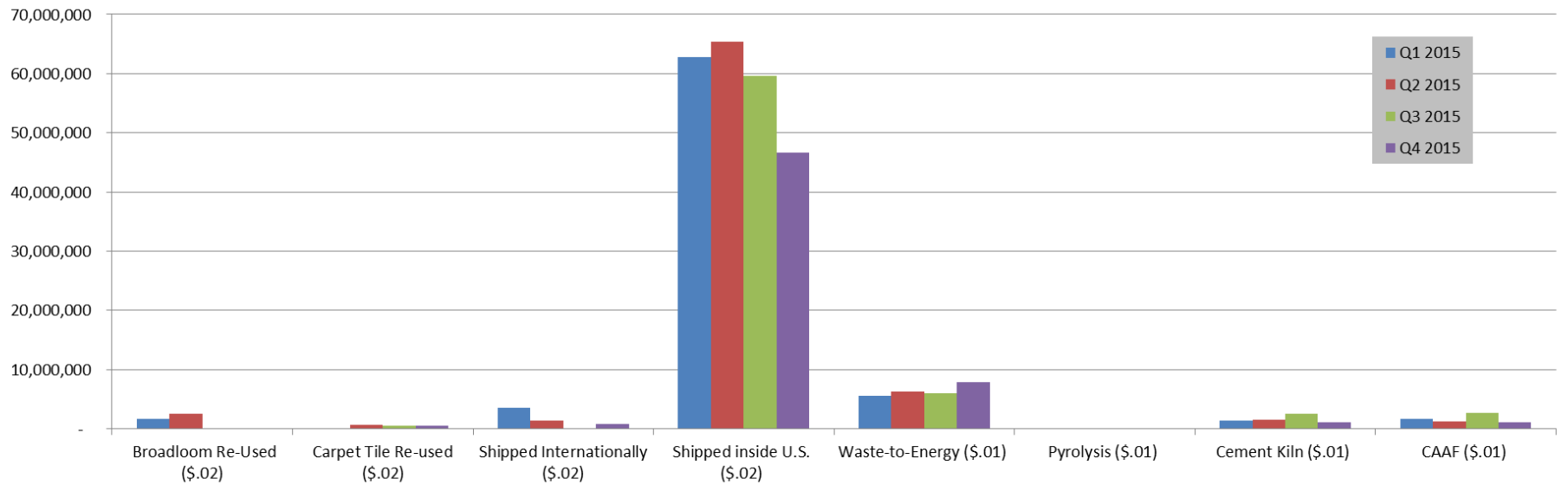


# Q4 2015 Summary Results

- 54 CSEs Requested Funds for Q4 2015
  - 68 CSEs participate in program (78% response rate)
  
- Output Eligible for Funding: 58,213,914
  - Total Output: 73,288,369
    - Landfilled: 8,839,347
    - Ending Inventory: 6,083,108
  
- Total \$ Requested - \$1,063,051
  - One CSE reached cap limit of \$400,000 in Q3 and is not eligible for Q4
  
- Remaining balance of \$590,254.00 will be proportionally distributed



# VPS Q4 Output Destinations (lbs.)



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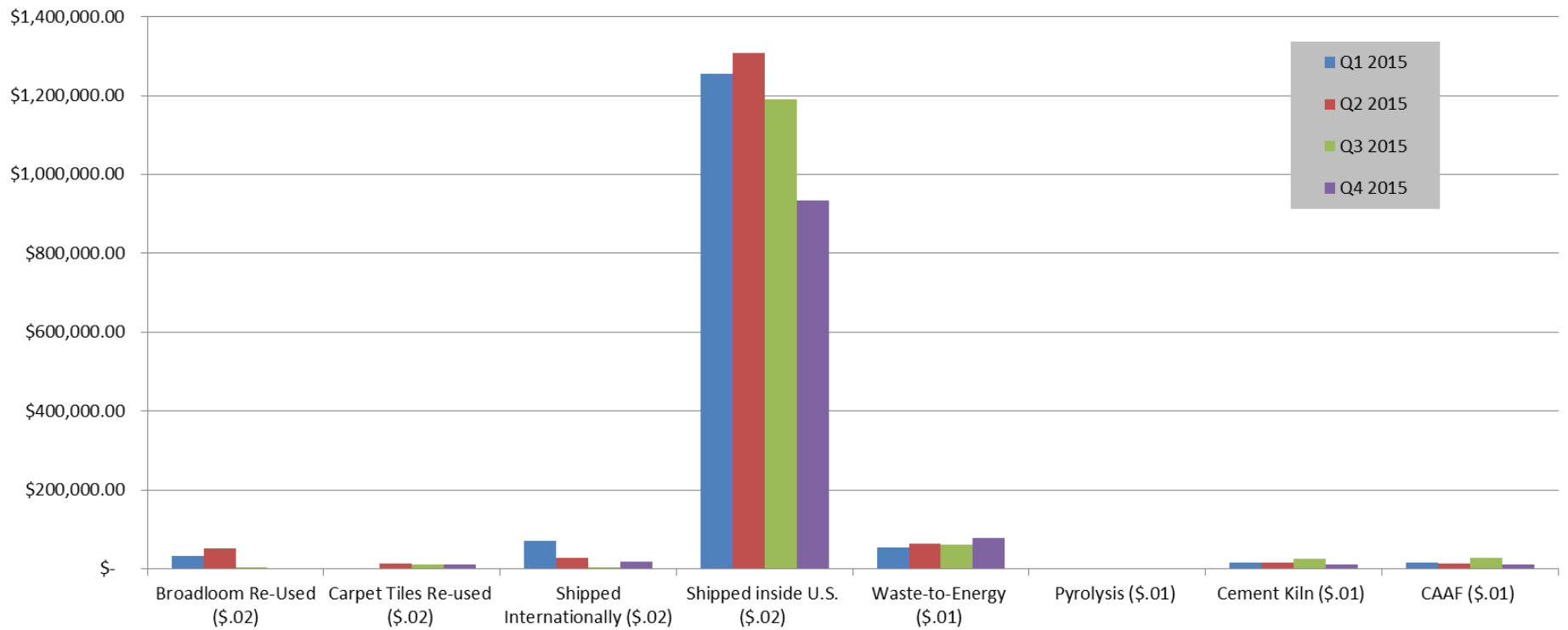
## Pounds of Output

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	% +/- (Q3v.Q4)
Broadloom Re-Used (\$.02)	1,662,222	2,514,473	80,000	-	-100%
Carpet Tile Re-used (\$.02)		639,206	550,980	559,536	2%
Shipped Internationally (\$.02)	3,576,893	1,403,553	79,004	841,259	965%
Shipped inside U.S. (\$.02)	62,764,138	65,385,512	59,557,428	46,690,476	-22%
Waste-to-Energy (\$.01)	5,501,436	6,243,524	6,015,714	7,892,383	31%
Pyrolysis (\$.01)	-	-	-	-	0%
Cement Kiln (\$.01)	1,444,065	1,583,132	2,481,035	1,068,195	-57%
CAAF (\$.01)	1,648,083	1,262,845	2,732,455	1,162,065	-57%
<b>Total</b>	<b>76,596,837</b>	<b>79,032,245</b>	<b>71,496,616</b>	<b>58,213,914</b>	<b>-19%</b>





# VPS Q4 Output (\$s)

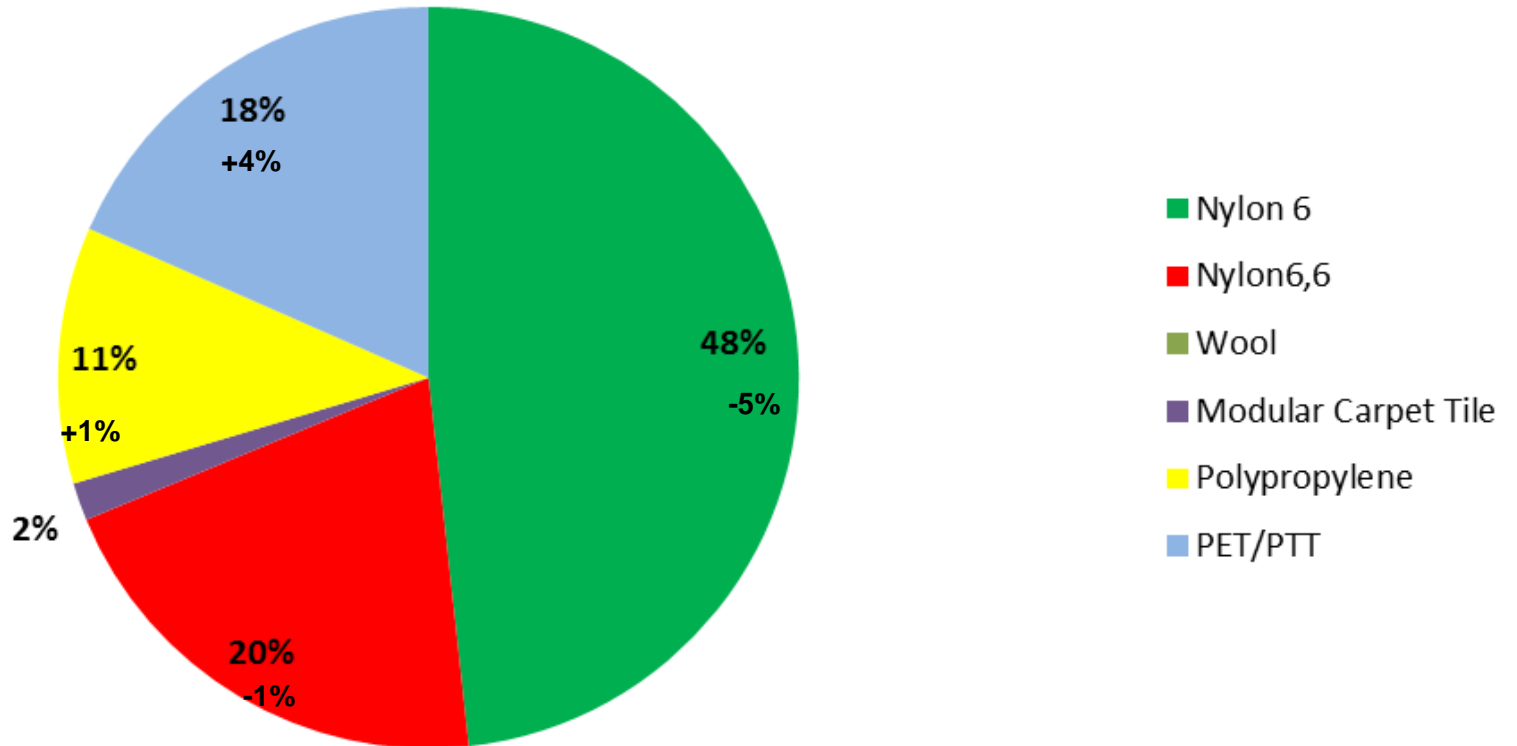


# VPS Q4 Output (\$s)

Output in \$s				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Broadloom Re-Used (\$.02)	\$ 33,244.44	\$ 50,289.46	\$ 1,600.00	\$ -
Carpet Tiles Re-used (\$.02)	\$ -	\$ 12,784.12	\$ 11,019.60	\$ 11,190.72
Shipped Internationally (\$.02)	\$ 71,537.86	\$ 28,071.06	\$ 1,580.08	\$ 16,825.18
Shipped inside U.S. (\$.02)	\$ 1,255,282.76	\$ 1,307,710.24	\$ 1,191,148.56	\$ 933,809.53
Waste-to-Energy (\$.01)	\$ 55,014.36	\$ 62,435.24	\$ 60,157.14	\$ 78,923.83
Pyrolysis (\$.01)	\$ -	\$ -	\$ -	\$ -
Cement Kiln (\$.01)	\$ 14,440.65	\$ 15,831.32	\$ 24,810.35	\$ 10,681.95
CAAF (\$.01)	\$ 16,480.83	\$ 12,628.45	\$ 27,324.55	\$ 11,620.65
<b>Total Uncapped</b>	<b>\$ 1,446,000.90</b>	<b>\$ 1,509,630.17</b>	<b>\$ 1,317,640.28</b>	<b>\$ 1,063,051.86</b>
<b>Cap Correction</b>	<b>\$ (142,735.90)</b>	<b>\$ (162,247.32)</b>	<b>\$ (190,941.56)</b>	<b>\$ (163,343.32)</b>
<b>Grand Total Payout for Total</b>	<b>\$ 1,333,145.40</b>	<b>\$ 1,347,382.85</b>	<b>\$ 1,126,698.72</b>	<b>\$ 899,708.54</b>



# Face Fiber Breakdown of Sorted Output

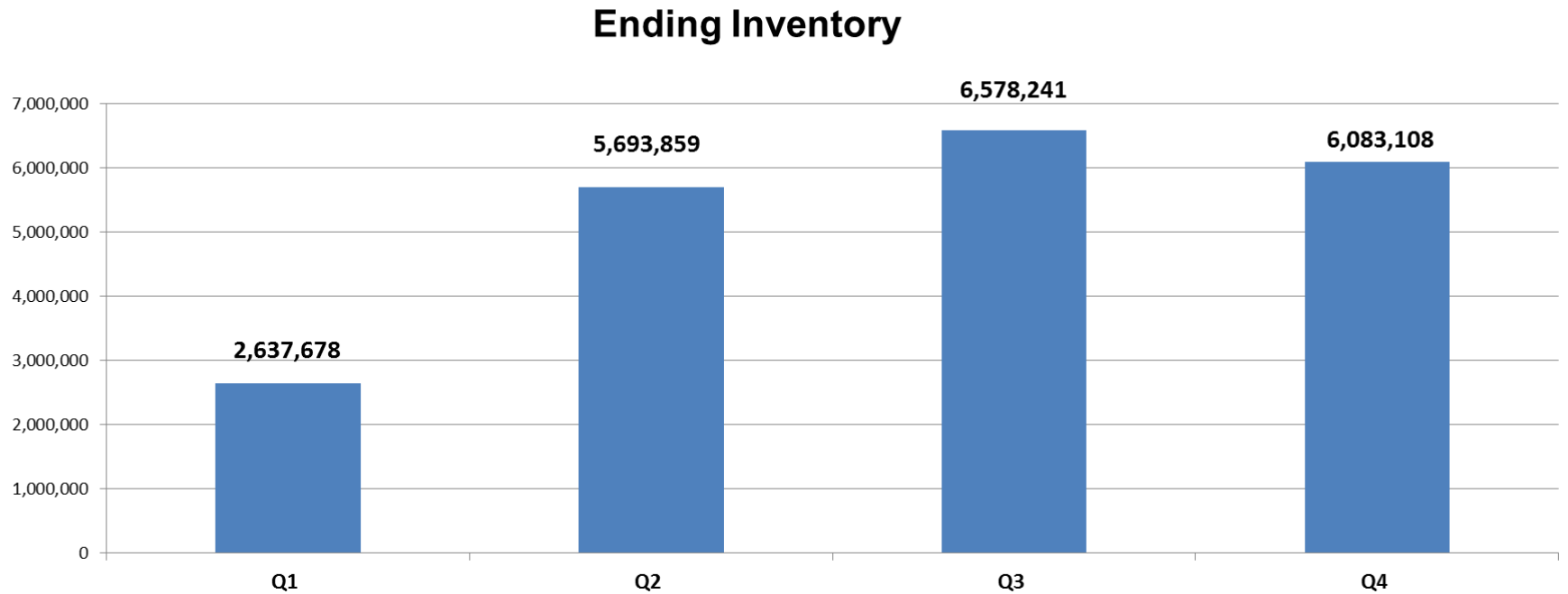


# Face Fiber Breakdown (Q1– Q4)

Face Fiber Breakdown - Shipped and Sold				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Nylon 6	47%	45%	53%	48%
Nylon6,6	23%	21%	21%	20%
Wool	0%	0%	0%	0%
Modular Carpet Tile	1%	1%	1%	2%
Polypropylene	10%	8%	10%	11%
PET/PTT	20%	23%	14%	18%
Other/Mixed Fibers	0%	1%	1%	0%



# Inventory Levels

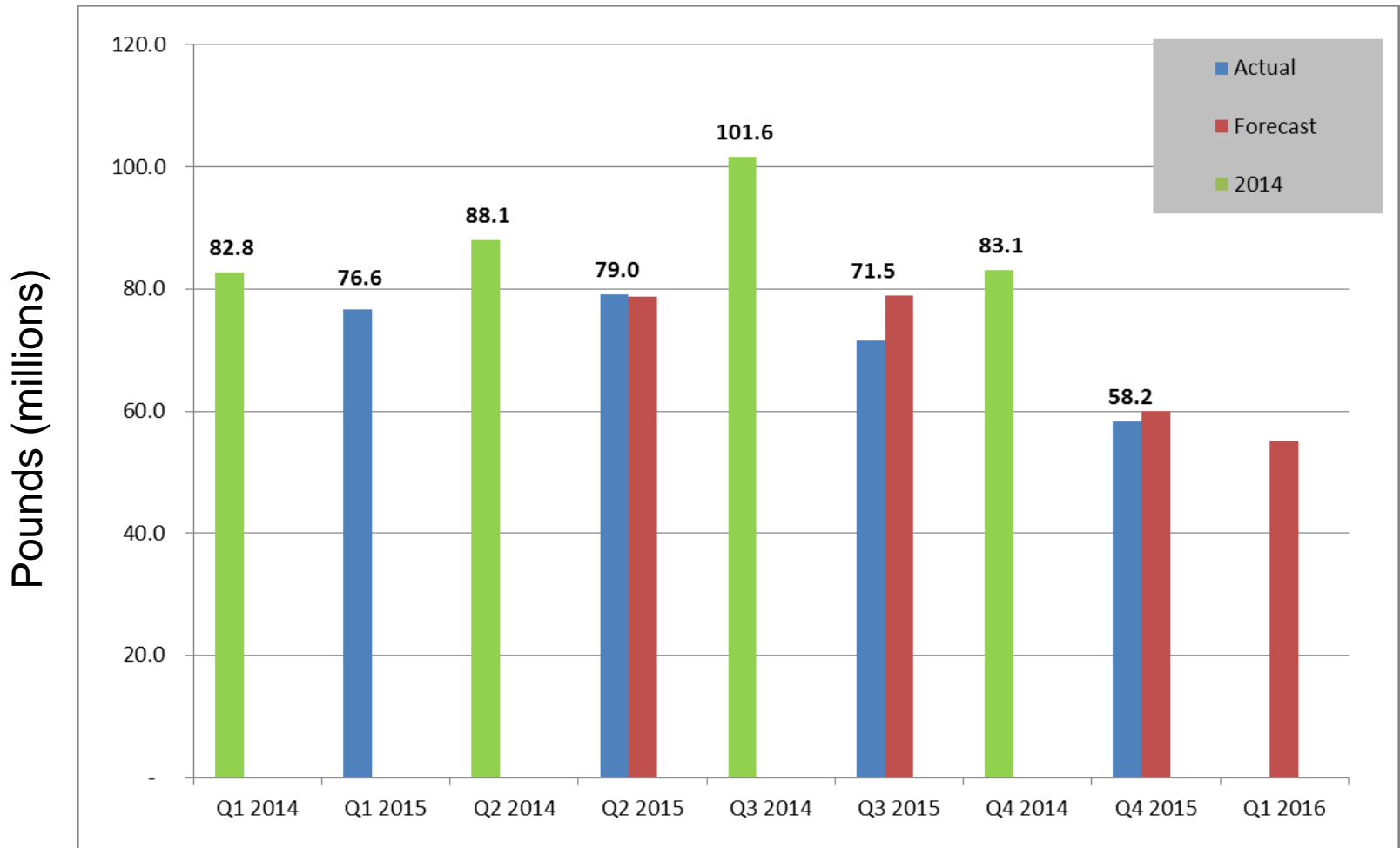


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# VPS Q4 2015 Forecast



# Results and Forecasts



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# VPS Financials





# Accounting Details for Quarter

Q4 Financial Analysis	
Starting Balance	\$ 10,000.00
Admin Expenses	\$ (45,187.00)
CSE Payout	\$ (590,254.00)
Reserve	\$ -
<b>Transfer Amount</b>	<b>\$ (625,441.00)</b>



# Recommendations for VPS Approval

- 1) Approve transfer of \$590,254.00
- 2) Approve CSE Distribution of \$590,254.00
- 3) Approve Administrative reimbursements of \$45,187.00

*Total Payout Q4: \$630K*



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# End of Review

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