

Factors Influencing Carpet Recycle



Macroeconomic Factors (outside of our control)

- Drop in old prices = drop in virgin raw materials
- West Coast port slowdown
- China Green Fence
- China market slowdown
- Harsh winter business slowdown

- 3 major recyclers curtail/stop in-flow
- Virgin prices directly impact recycle prices
- This is not just a PET Issue: it is nylons as well
- Still trying to understand all this and engineer a way forward
- The VPS program is helping ease the pain
- The key to success is market outlets for products that contain PCC content



Recycling Trends Across Materials

Key Recycling Industry Statistics

| Activity thru March 2015 | 2015 Quantities | % change year over year |
|------------------------------------|-----------------|-------------------------|
| Recovered paper exports | 45.74M mT | -6.2% |
| Recovered paper exports avg. price | \$160/mT | -8.7% |
| Aluminum scrap exports | 725.34M mT | -18.3% |
| Aluminum scarp exports prices | \$0.74/lb | -4.6% |
| Glass scrap exports | 7,335.6 tons | +38.7% |
| Glass scrap export prices | \$612/ton | -9.3% |
| Scrap plastics exports | 9,974.4M lbs | -9.4% |
| Scrap plastics exports avg. price | \$0.186/lb | -4.5% |

Source: Recycling Review, June 2015, p60