



MARKET UPDATE

Rick Post - PADNOS

V.P. - Paper Division

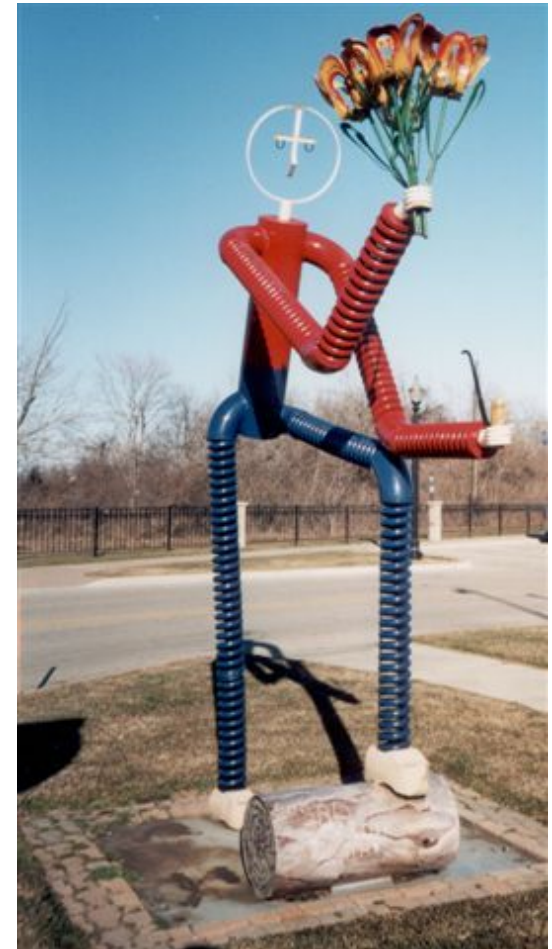
About PADNOS

PADNOS was founded in Holland, Michigan in the early 1900's by Louis Padnos. The company has thrived as a family business through four generations and has grown to be a market leader and best-in-class innovator.



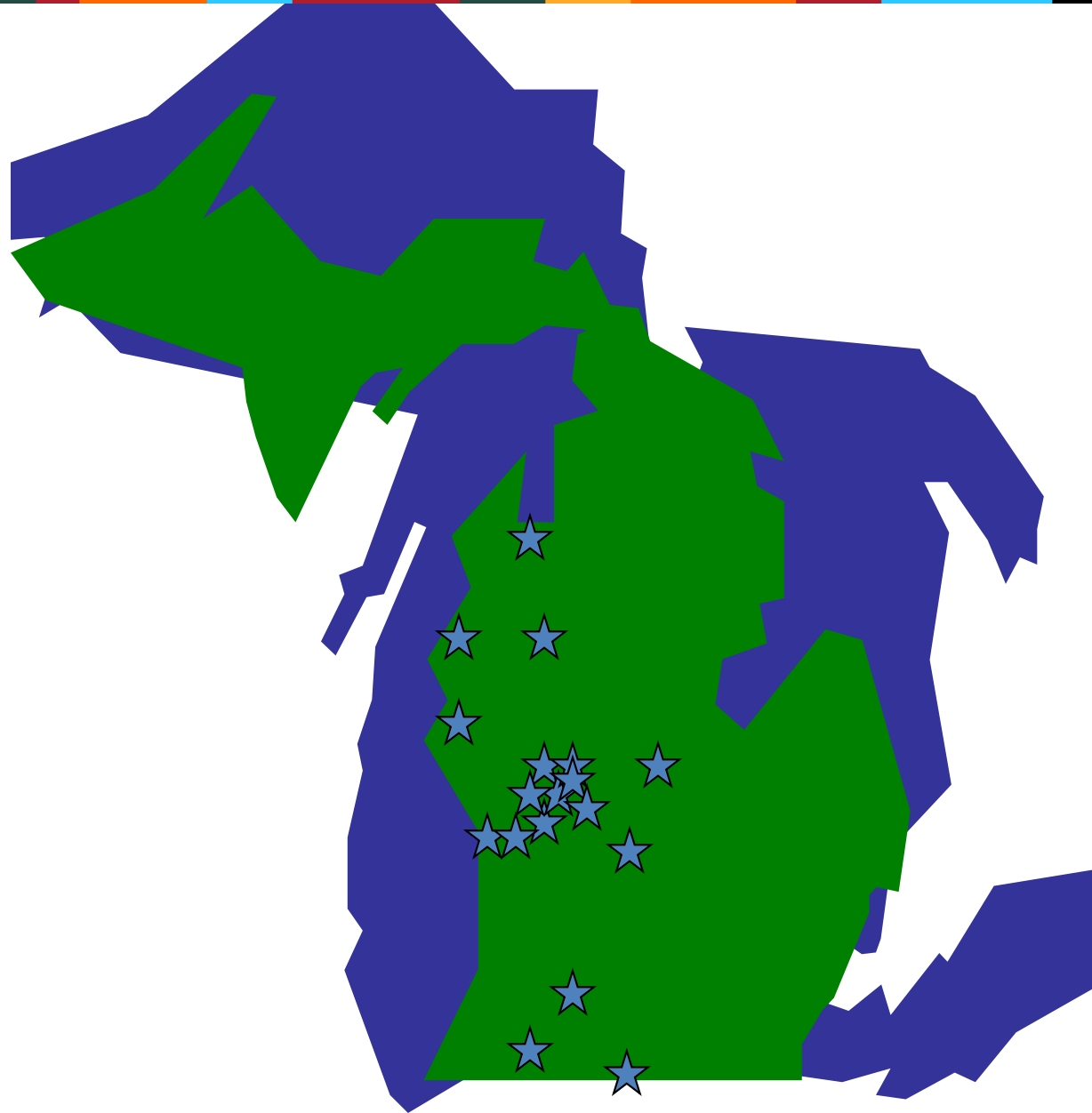
PADNOS Values Statement

- We value families.
- We value relationships.
- We value safety, quality, and the environment.
- We value individuals and collaboration.
- We value excellence.
- We value our local communities.



Locations Throughout Michigan

- Alpine - Grand Rapids
- Benton Harbor – Benton Harbor
- Black River - Holland
- Burton Street – Grand Rapids
- Cadillac - Cadillac
- Front Street – Grand Rapids
- Grandville – Grandville
- Hastings – Hastings
- IXL – Holland
- Corporate Office - Holland
- Lansing – Lansing
- Leitelt – Grand Rapids
- Padnos Central Michigan – Alma
- Padnos Plastics Solutions – Fremont, IN
- Pere-Marquette –Ludington
- Redbud Recycling – Buchanan
- Shoreline Recycling – Muskegon
- Straight Street - Grand Rapids
- Sustainable Recycling, Inc. – Dowagiac
- Traverse Bay Recycling - Traverse City
- Turner Division - Grand Rapids
- Wyoming Division - Wyoming



"Scrap is beautiful. Beauty is in the eye of the beholder."

PADNOS is:

- A full-service recycler
- A promoter of GREEN sustainability
- A buyer of: Paper, plastic, metals, and more!
- Diverting landfill waste
- Implementing scrap management solutions



Paper Recycling at PADNOS

PADNOS provides full-service recycling of all grades of recyclable paper. With a **75,000 square foot paper plant** that receives, sorts and bales, we ship over 30 grades of paper to customers around the world.



PADNOS Plastic Solutions

PADNOS provides complete plastics recycling services with a focus on post-industrial plastics. We employ industry **leading technology** and expertise to create programs that maximize cost savings by efficiently collecting and utilizing scrap.

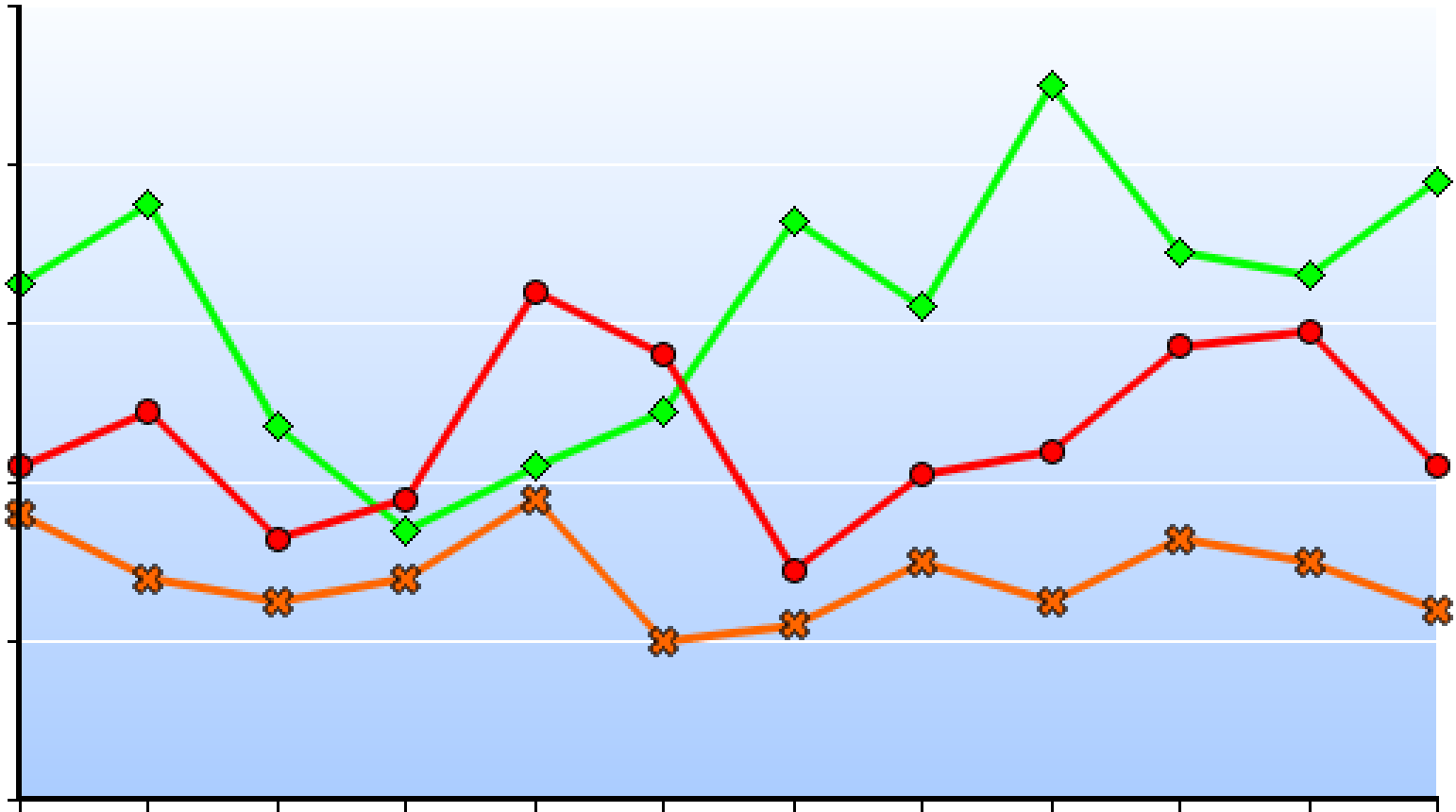


Metal Recycling at PADNOS

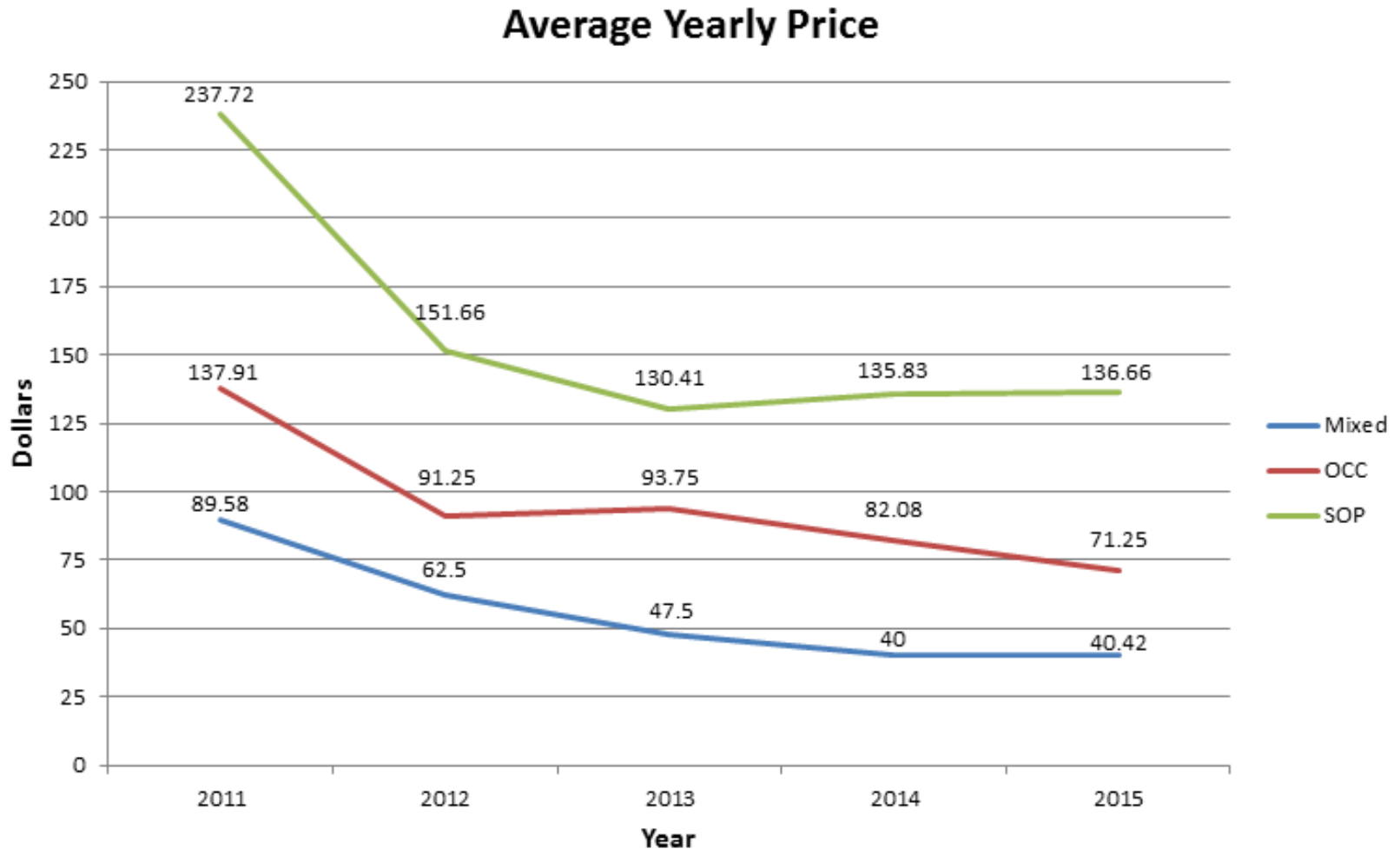
PADNOS handles all grades and types of ferrous and non-ferrous scrap metals with 18 dedicated receiving and processing facilities.



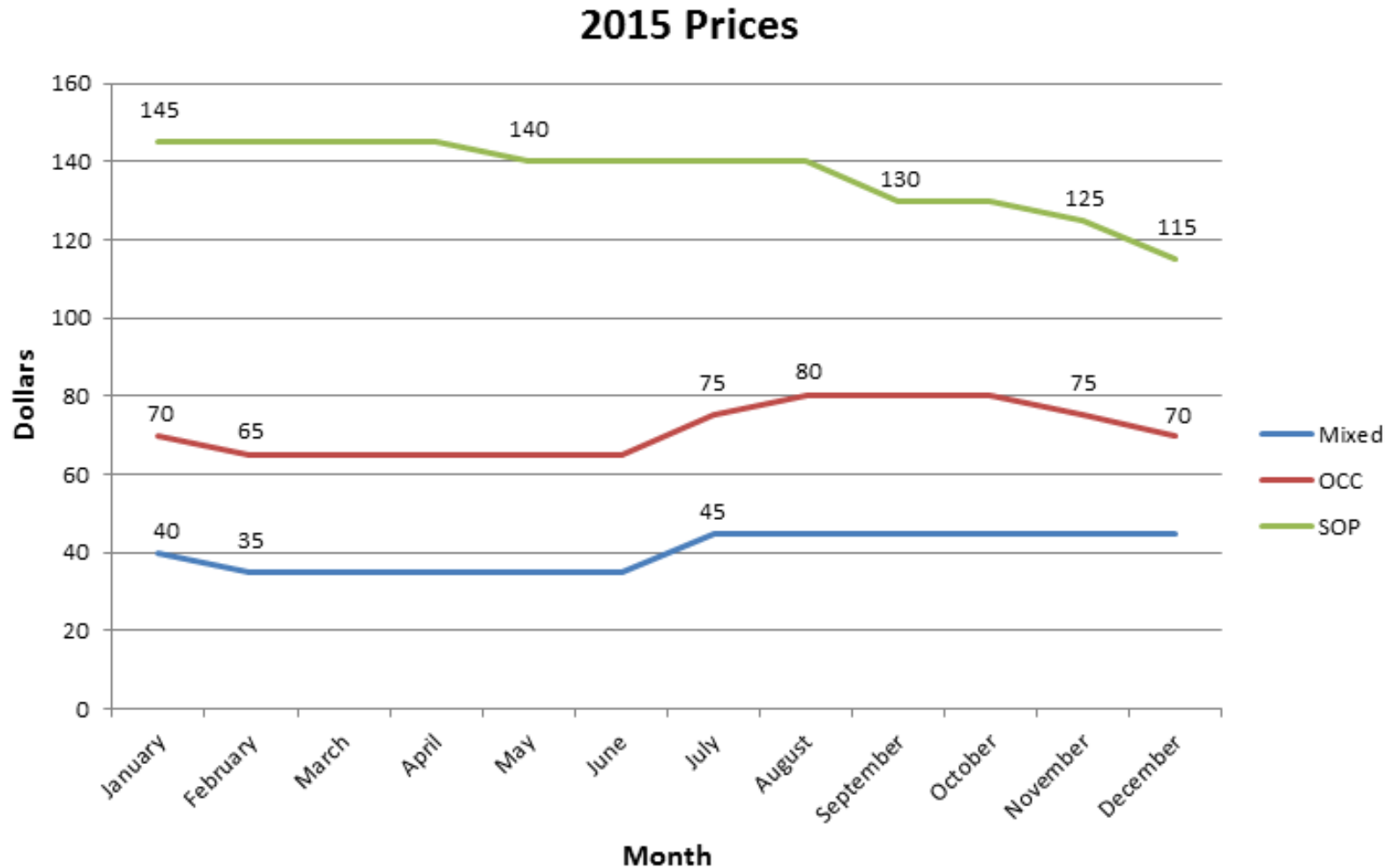
MARKET UPDATE



Yearly Average Yellow Sheet Prices



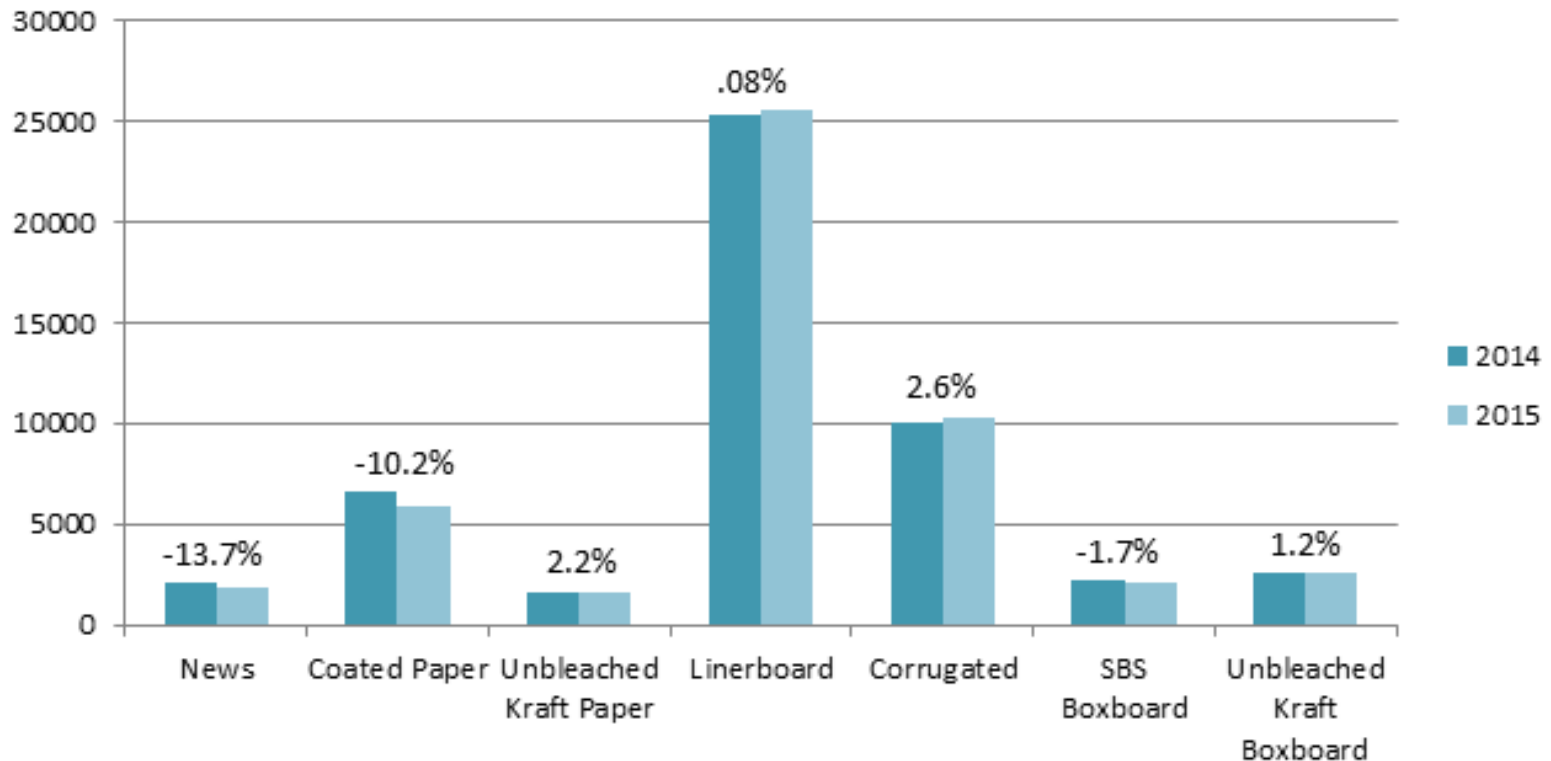
2015 Yellow Sheet Prices



Paper & Paperboard Production

US Paper and Paperboard Production

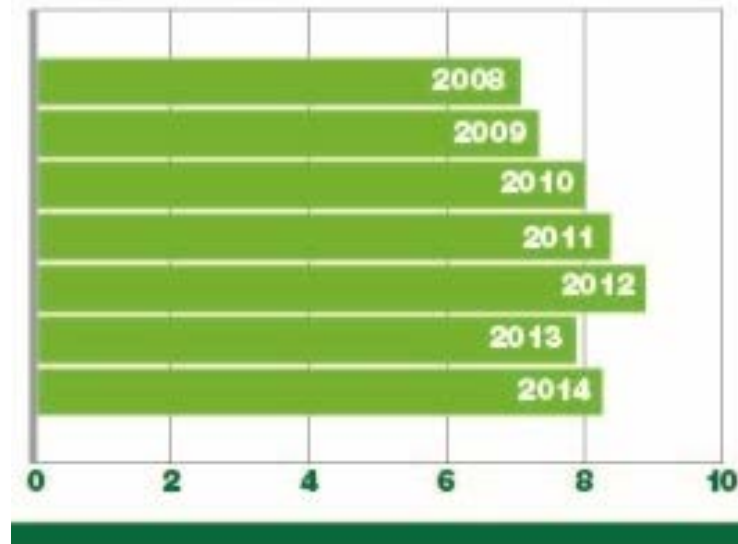
* Millions of Tons



China's "Green Fence"

- China put a limit on recycling U.S. bottles, cans, and paper because material was too contaminated...time to clean it up!
- Imports reached a peak of 8.8 million tons in 2012

China's Scrap Plastic Imports



The Cost of Not Meeting THE SPEC!

- The U.S. lost significant revenue when shipments were rejected at the port during the Green Fence Initiative
- Individual companies lost money in additional shipping costs and demurrage fees



Green Fence Raises the Bar

- Recycling companies now sort more thoroughly
- More materials are now marketed domestically



Business & Environmental Benefits

