

PRESS RELEASE
REDISHRED CAPITAL CORP.
Mississauga, Ontario
May 27, 2014

REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES Q1-2014 RESULTS, HIGHLIGHTING TOTAL *PROSHRED*[®] SYSTEM SALE’S GROWTH OF 25% AND EBITDA GROWTH OF 179% FOR THE CORPORATELY OWNED STORES COMPARED TO Q1-2013.

First Quarter Highlights *(In Canadian Dollars):*

- Total system sales ⁽¹⁾ in the *PROSHRED*[®] system were \$5 million in the first quarter of 2014, growing 25% over the comparative period in 2013.
 - Scheduled (recurring) system sales for the first quarter reached a record of \$2.5 million, growing 22% over the first quarter of 2013;
 - Unscheduled system sales for the first quarter reached a record of \$1.65 million, growing 37% over the first quarter in 2013 and;
 - Recycling system sales for the first quarter were \$860,000, growing 11% over the first quarter of 2013.
 - The *PROSHRED*[®] system shred and recycled 6,800 tons of paper during the first quarter of 2014, an increase of 8% over the first quarter of 2013.

- Redishred’s six directly operated corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami produced \$1.15 million in revenues during the three months ended March 31, 2014, generating \$517,000 in earnings before interest, taxes, depreciation and amortization (“EBITDA”), an increase of 179% in EBITDA versus Q1-2013.

- Redishred’s same store corporate stores, namely Syracuse, Albany, Milwaukee, and New York City, grew EBITDA 74% quarter over quarter. As well, the Company began directly operating the Miami corporate location on January 1, 2014. The Miami results during the first quarter of 2014 were accretive to the Company’s results.

- The Company earned franchise fee revenue during the first quarter of 2014 as a result of awarding the Southern New Jersey franchise in December of 2013.

(1) System sales are revenues generated from franchisees, licensees and corporate owned locations. Redishred Capital Corp. derives its royalty and service fee revenues based on a percentage of system sales from franchisees and licensees. Redishred Capital Corp. derives revenues from corporate location system sales.

Financial Highlights:

For the 3 months ended,	2014	2013	Percentage change
	\$	\$	%
Corporate location financial results⁽¹⁾:			
Corporate location revenue	1,157,734	674,616	72%
Corporate location operating costs	<u>(640,594)</u>	<u>(489,442)</u>	31%
Corporate location EBITDA	517,140	185,174	179%
Depreciation – tangible assets	<u>(94,746)</u>	(54,218)	75%
Interest expense	<u>(202,092)</u>	(153,413)	32%
Operating income (loss) from corporate locations	220,302	(22,457)	1081%
Franchise sales:			
Franchise and license fees	69,788	1,165	5890%
Royalties and service fees	<u>258,058</u>	<u>232,349</u>	11%
Franchise related revenue	327,846	233,514	40%
Operating income (loss)	131,602	(181,740)	172%
Net income (loss)	140,653	(220,417)	164%
Income (loss) per share	0.00	(0.01)	164%
System sales	5,059,003	4,054,498	25%

(1) The Miami operations are excluded in the three months ended March 31, 2013 results, as the Miami business was jointly operated by Redishred and one of the Company's franchise locations. The Company commenced operations of the Miami location directly on January 1, 2014.

System Sales

Redishred's management team continued to focus its efforts through its franchisees and its corporate locations on (1) building recurring service revenues, (2) maximizing route density and logistical efficiencies and (3) implementing dedicated hard drive destruction trucks/equipment throughout the system. The strong service system sales results are driven by Redishred's sales and marketing programs that are aimed at educating clients on the legislative requirements to destroy confidential information using a secure on-site solution. Additionally, an increasing number of clients are requiring their facilities to recycle all products, including office paper and, by using our service, clients are assured that documents are securely destroyed and the materials are recycled. Proshred also offers hard drive destruction services in almost all of its locations, and has been deploying high speed on-site hard drive destruction trucks. Currently five franchised locations have deployed high-speed on-site hard drive destruction trucks.

These factors led to 28% growth in scheduled and unscheduled sales in the first quarter of 2014 over the same quarter in 2013.

Recycling system sales increased by 2% during the three months ended March 31, 2014 in comparison to the same period in 2013. During the three months ended March 31, 2014, the **PROSHRED®** system shred and recycled 6,800 tons of paper, which equates to 102,000 trees saved.

Corporate Operations

During the three months ended March 31, 2014, Redishred directly operated six shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI, New York City, NY, Charlotte, NC and Miami, FL.

On July 31, 2013, the Company acquired the Charlotte franchise and on January 1, 2014 the Company began directly operating the Miami, FL location. During the three months ended March 31, 2014, the corporate location revenues grew by 72% over the same comparative prior year period. The Company also increased EBITDA by 179% over the three months ended March 31, 2013.

Same store corporate store results are indicators of performance of corporate stores that have been in the system for equivalent periods in 2014 and 2013. Same store corporate results include the operations of Syracuse, Albany, Milwaukee and New York City. During the three months ended March 31, 2014, the same store corporate location revenue grew by 14% and operating costs were reduced by 12%. This led to an increase in EBITDA of 74%.

All Corporate Locations Results:

For the 3 months ended March 31,	<i>All corporate locations</i>				<i>Same store corporate locations</i>			
	2014	% of revenue	2013	% of revenue	2014	% of revenue	2013	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	952,301	82%	547,581	81%	646,025	84%	547,581	81%
Recycling	205,433	18%	127,035	19%	122,150	16%	127,035	19%
Total revenue	<u>1,157,734</u>	100%	<u>674,616</u>	100%	<u>768,175</u>	100%	<u>674,616</u>	100%
Operating costs	<u>640,594</u>	55%	<u>489,442</u>	73%	<u>433,105</u>	56%	<u>489,442</u>	73%
EBITDA	<u>517,140</u>	45%	<u>185,174</u>	27%	<u>335,070</u>	44%	<u>185,174</u>	27%

Corporate Locations Trend:

	2014		2013		2012	
	Q1	Q4	Q3	Q2	Q1	Q4
Corporate location revenue	1,157,734	985,158	948,625	800,997	674,616	649,944
Corporate location EBITDA	517,140	364,307	372,260	298,746	185,174	140,119

Management’s Comments on the First Quarter of 2014

Jeffrey Hasham, the Company’s CEO, had the following comments, “The first quarter’s results indicate that Proshred’s on-site solution for destroying paper, hard drives and other materials is resonating with our clients. The on-site solution, in our view, is the most secure method to destroy confidential information. The performance of the system continues to be a result of our willingness to invest in human resources and modern equipment so we can continue to provide a best in class service. The Company’s plan is to continue to invest in new trucks and sales resources to further drive results in 2014 and beyond. I would like to thank our franchisees, employees and vendor partners for their hard work and our shareholders for their continued support of our Company.”

Community and Social Commitment

Our locations under the **PROSHRED**[®] banner conducted 34 community shredding events in the first quarter of 2014. These events provide an opportunity for our clients, clients’ employees, local businesses and local residents to ensure their personal and confidential materials are securely destroyed. In addition to helping to reduce identity theft, several of these events allow for donations to various not-for-profit organizations. **PROSHRED**[®] is also proud that 100% of the shredded material is recycled, as our continued goal is to foster the use of fewer trees in the production of all paper products. Future community shredding event locations can be found at our website, www.proshred.com.

On June 1, 2014, **PROSHRED**[®] will be holding a Shred for Cancer event at most of its locations, raising money for the American Institute for Cancer Research (“AICR”). It is our goal as a Company to support the AICR in their endeavor to conduct research to prevent and possibly cure this disease. Please visit www.proshred.com/aicr for more information on this effort.

Financial Statements

Redishred's March 31, 2014 Financial Statements, Notes and Management's Discussion and Analysis will be available at www.sedar.com and www.redishred.com.

Services

Redishred Capital Corp. is the owner of the **PROSHRED®** trademarks and intellectual property in the United States. **PROSHRED®** shreds and recycles confidential documents and proprietary materials for thousands of customers in the United States in all industry sectors. **PROSHRED®** is a pioneer in the mobile document destruction and recycling industry and has the ISO 9001:2008 certification. It is **PROSHRED®**'s vision to be the 'system of choice' and provide shredding and recycling services on a global basis. Redishred Capital Corp. grants **PROSHRED®** franchise businesses in the United States and by way of license arrangement in the Middle East. Redishred Capital Corp. also operates five corporate shredding businesses directly. The Company's plan is to grow its business by way of both franchising and the acquisition and operation of document destruction businesses that generate stable and recurring cash flow through a scheduled client base, continuous paper recycling and concurrent unscheduled shredding service.

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