

PRESS RELEASE
REDISHRED CAPITAL CORP.
 Mississauga, Ontario
 May 27, 2010

REDISHRED CAPITAL CORP. ANNOUNCES FIRST QUARTER 2010 RESULTS

Financial Highlights:

- System sales⁽¹⁾ in our **PROSHRED®** franchise system for the first quarter of 2010 were \$3.1 million USD - setting a new record for system sales achieved in any one quarter.
 - Scheduled (recurring) system sales in the first quarter grew by 12% over the same period in 2009.
- On April 30, 2010, Redishred acquired its first corporate location located in Syracuse, New York.
- Redishred's royalty and fee revenue for the first quarter of 2010 was \$242,000 CDN (2009 - \$225,000). Royalty and fee revenues are generated by franchises of the **PROSHRED®** franchise system and are originally denominated in US dollars.

⁽¹⁾ System sales are revenues generated from the franchise system. Redishred Capital Corp. derives its royalty and service fee revenues based on a percentage of system sales.

For the three months ended,	March 31, 2010	March 31, 2009
Revenue:		
Royalty and service fees	\$ 242,013	\$ 203,707
Franchise fees	-	21,752
Total revenue	<u>\$ 242,013</u>	<u>\$ 225,459</u>
Operating income (loss) (Before depreciation, amortization and interest)	\$ (115,629)	\$ (291,792)
Net income (loss)	\$ (305,643)	\$ (397,726)
Income (loss) per share	\$ (0.01)	\$ (0.02)
Weighted average number of common shares	28,884,658	22,884,614

Management's Comments on the Industry

The North American shredding industry continues to grow with demand being driven by:

- increased regulatory requirements and the related increasing enforcement of regulations (via fines and penalties), including the new federally enacted Health Information Technology for Economic and Clinical Health Act;
- increasing awareness for recycling paper products and the beneficial impact to the environment;
- corporate initiatives to outsource "non-core" business services, and
- increasing need to destroy and recycle other storage media such as hard-drives.

Additionally, prices for recycled paper have continued to show upward momentum as a result of strong demand from overseas markets, resulting in stronger recycling system sales.

Given these strong fundamentals, the company continues to be optimistic about its short, intermediate and long-term development plans.

Management's Comments on the First Quarter

System Sales – System sales in all three major categories continued to grow during the first quarter of 2010.

- Scheduled system sales, which are recurring in nature, were up 12% over the first quarter of 2009.
- Unscheduled system sales, which is revenue generated from customers with one time requirements or having less frequent shredding requirements grew by 30% over the first quarter of 2009.
- Recycling system sales, which is revenue generated from selling the shredded paper to recycling facilities, grew by 244% over the first quarter of 2009.

These solid 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 an on-site solution. Additionally, clients in larger numbers 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 then the paper is recycled.

Franchise Development - Redishred continues to develop a solid pipeline of qualified franchisee candidates, and anticipates that a number of additional franchise locations will be awarded over the next 9 months. These new **PROSHRED®** locations will generate incremental franchise fee and royalty revenues and enlarge our U.S. footprint. John Prittie, President of Redishred, commented that, "we are pleased with the solid results from the system and we are excited to award new locations in the near future."

Acquisitions – On April 30, 2010, Redishred completed the acquisition of the **PROSHRED®** Syracuse business from its existing franchisee for a purchase price of \$317,000. Redishred plans on using this location as a training facility for new franchisees that enter the system. Redishred plans to acquire at least 1 more shredding business in 2010.

Community and Social Commitment – Our franchisees under the **PROSHRED®** banner conducted six community shredding events in the first quarter of 2010. 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. 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. During the first quarter, the **PROSHRED®** franchise system, through its recycling program, saved 70,944 trees.

Robert Crozier, the Company's CEO, had the following comments on the first quarter results, "We are very pleased that our franchise system continues to set new quarterly records for service revenue; which demonstrates that more and more businesses are recognizing the need to securely destroy their confidential documents in a manner that is good for the environment. We are also extremely excited to commence operations in our very first corporate store located in Syracuse, New York. We are certainly looking forward to conducting further acquisitions that are accretive to Redishred's cash flows."

Financial Statements

Redishred's March 31, 2010 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 9001:2000 certification. In addition to the ISO certification, most of our franchise locations are NAID certified. It is **PROSHRED®**'s vision is to be the 'system of choice' and provide shredding and recycling services on a global basis.

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This news release contains forward looking statements that reflect the current expectations of management of Redishred and Redishred's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "may", "will", "estimate", "believe", "expect", "intend" and similar expressions have been used to identify these forward looking statements. These statements reflect current beliefs and are based on information currently available to management of Redishred. Forward looking statements necessarily involve known and unknown risks and uncertainties. A number of factors, including those discussed in the 2009 management discussion and analysis under "Risk Factors", could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward looking statements. These factors should be considered carefully and a reader should not place undue reliance on the forward looking statements. There can be no assurance that the expectations of management of Redishred will prove to be correct.

In particular, certain statements in this document discuss Redishred's anticipated outlook of future events. These statements include, but are not limited to:

- (i) franchise development or the awarding of franchises(including the recognition of franchise fee revenue), which is subject to the identification and recruitment of candidates with the financial capacity and managerial capability to own and operate a Proshred franchise,*
- (ii) acquisition activity, which is subject to the identification of appropriate assets that are accretive to the Company's cash flows and agreement of suitable terms,*
- (iii) anticipated system sales and royalty revenue which may be impacted by industry growth levels which to date have been driven by favourable legislation and favourable media coverage on the impacts of identity theft, and*
- (iv) commodity paper prices and the demand for this commodity which will vary with market conditions in the United States and internationally.*

Readers are cautioned that such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Redishred can give no assurance that actual results will be consistent with these forward-looking statements.