

PRESS RELEASE
REDISHRED CAPITAL CORP.
 Mississauga, Ontario
 August 10, 2010

REDISHRED CAPITAL CORP. ANNOUNCES SECOND QUARTER 2010 RESULTS

Financial Highlights:

- System sales⁽¹⁾ from our **PROSHRED®** system for the second quarter of 2010 were \$3.2 million *USD* - setting a new record for system sales achieved in any one quarter. For the first half of 2010, system sales were \$6.3 million *USD*, which represents a 42% increase over the first half of 2009.
 - Scheduled (recurring) system sales in the second quarter grew by 15% over the same period in 2009.
- On April 30, 2010, Redishred acquired its first corporate location in Syracuse, New York and on June 30, 2010, Redishred acquired its second corporate location in Albany, New York.
 - The Syracuse location generated \$100,685*CDN* in revenue and \$15,787*CDN* in net income for the two months ended June 30, 2010.
- Redishred's royalty and fee revenue for the second quarter of 2010 was \$235,000*CDN* (2009 - \$200,000*CDN*). Royalty and fee revenues are generated by franchises of the **PROSHRED®** franchise system and are originally denominated in US dollars.
- Following the end of the second quarter of 2010, on July 26, 2010, Redishred awarded the San Diego, CA franchise. Operations are expected to commence in the third quarter of 2010.

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

For the three months ended, <i>(in CDN)</i>	June 30, 2010	June 30, 2009
Franchising:		
Royalty and service fee revenues	\$ 235,092	\$ 200,175
Corporate operations:		
Service and recycling revenue	\$ 100,685	-
Income from corporate location	\$ 15,787	-
Operating income (loss) (Before depreciation, amortization and interest)	\$ (157,498)	\$ (522,471)
Net income (loss)	\$ (300,831)	\$ (751,641)
Income (loss) per share	\$ (0.01)	\$ (0.03)
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, as there is increasing awareness with respect to the following demand drivers:

- regulatory requirements and enforcement continue to be increased with respect to document destruction, including the federally enacted Health Information Technology for Economic and Clinical Health Act;
- consumers and businesses have heightened awareness of their responsibility towards safeguarding the environment;
- corporate initiatives to outsource "non-core" business services, and
- increasing need to destroy and recycle other media such as hard-drives.

Additionally, prices for recycled paper have continued to show upward momentum as a result of increased 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 Second Quarter

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

- Scheduled system sales, which are recurring in nature, were up 15% over the second quarter of 2009.
- Unscheduled system sales, which is revenue generated from customers with one time requirements or having less frequent shredding requirements, grew by 17% over the second quarter of 2009.
- Recycling system sales, which is revenue generated from selling the shredded paper to recycling facilities, grew by 259% over the second quarter of 2009. In addition the number of tons of paper recycled by the **PROSHRED®** system was up 24% over the second 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 a secure on-site solution. Additionally, a larger 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.

Franchise Development – Redishred had strong franchise recruitment activities take place in the second quarter of 2010, which garnered a new franchisee and a resale of an existing franchise in July of 2010.

Tom Hosea, our Denver, CO franchisee of six years, sold his **PROSHRED®** franchise to, Tom and Darcy Nash. Tom and Darcy completed their new franchisee training program in Toronto and Syracuse in June, and closed their purchase of the franchise on July 1, 2010. Tom and Darcy Nash had the following comments on joining the **PROSHRED®** system, "we felt that with the heightened awareness of identity theft and security concerns driving demand, coupled with the fact that we are first time business owners, the Proshred franchise system made a lot of sense for us. We also feel that there is a good opportunity to grow the business in the Denver market."

On July 26, 2010, Todd Hoover and Bill and Desiree Chiles were awarded the San Diego, CA **PROSHRED®** franchise. This franchise marks the 18th location in the **PROSHRED®** system. Redishred's President John Prittie commented, "We are very pleased to award our first new franchise for 2010 and our second on the west coast in the last 12 months. We are looking to establish a strong presence on the west coast of the United States and have targeted Los Angeles, San Francisco, San Jose, Portland and

Seattle for future expansion”. Mr. Prittie further noted, “The new franchise will service San Diego and Imperial counties and augment our existing presence in Southern California. Our new franchisees are well known in the Southern California business community and have many connections within the commercial real estate and finance industries.”

Todd Hoover and Bill and Desiree Chiles, the new San Diego franchisees, noted that “we decided to get involved with Proshred because we think the business model is relevant in today’s world of identity theft. We feel there is solid demand for a “best in class” service and we believe the Proshred model represents this and will be well received by our San Diego customers. Proshred is attractive because it has a solid infrastructure and support system in addition to a successful base of existing locations. We look forward to duplicating the Proshred model in San Diego and growing a sustainable business.”

Acquisitions and Corporate Operations – On April 30, 2010, Redishred completed the acquisition of the **PROSHRED®** Syracuse business from its existing franchisee for a purchase price of \$317,000. On June 30, 2010, Redishred completed the acquisition of the **PROSHRED®** Albany business from its existing franchisee for a purchase price of \$398,000, not including contingent consideration. The results for the first two months from the corporate location are as follows:

<i>two months ended June 30,</i> <i>(in USD)</i>	2010	% of revenue
Revenue:		
Shredding service	\$ 76,820	79%
Recycling	20,900	21%
Total revenue	97,720	100%
Corporate store operating costs	59,766	61%
Depreciation	13,858	14%
Interest expense	8,946	9%
Total corporate store costs	82,570	84%
Corporate store income (loss)	15,150	16%

Community and Social Commitment – Our locations under the **PROSHRED®** banner conducted eighty six community shredding events in the first half 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. Future community shredding event locations can be found at our website, www.proshred.com. During the first half of 2010, the **PROSHRED®** system, through its recycling program, saved 149,000 trees.

Robert Crozier, the Company’s CEO, had the following comments on the second quarter results, “We had a very busy second quarter, setting new system sales records, acquiring two shredding businesses, and seeing the fruits of our franchise recruitment efforts in July. All of these positive results confirm that this industry remains strong and our **PROSHRED®** brand and systems are meeting the needs of our customers. We are certainly looking forward to an even better second half of 2010, with the goal of conducting additional accretive acquisitions in new markets, continuing to award new franchises in new markets, and continuing to build on our system sales growth”

Financial Statements

Redishred's June 30, 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 certification. In addition to the ISO certification, most of our 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Redishred Capital Corp. (TSX.V – KUT)
Jeffrey Hasham, CA
Chief Financial Officer
Jeffrey.hasham@redishred.com
www.redishred.com
Phone: (416) 849-3469 Fax: (905) 812-9448

Robert Crozier
Chief Executive Officer
Robert.crozier@redishred.com
www.redishred.com
Phone: (902) 429-2437 Fax: (905) 812-9448

Note: Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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) the development of further west coast locations may not be attained due to negative local economic circumstances that may limit the number of qualified franchisee candidates;*
- (iii) the commencement of a new franchise operation may be delayed by the inability of the franchisee to comply with the franchise agreement terms and conditions post execution;*
- (iv) 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;*
- (v) 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;*
- (vi) commodity paper prices and the demand for this commodity which will vary with market conditions in the United States and international, and*
- (vii) results for the second half of 2010, maybe impacted by industry growth levels, the price of recycled paper and the performance of the overall economy.*

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.