

PRESS RELEASE
REDISHRED CAPITAL CORP.
Mississauga, Ontario
June 29, 2011

**REDISHRED CAPITAL CORP. POSTS FIRST QUARTER RESULTS – HIGHLIGHTING
RECORD SYSTEM SALES AND EBITDA GENERATED BY CORPORATE LOCATIONS**

First Quarter Highlights:

- System sales ⁽¹⁾ in our **PROSHRED®** system were \$3.53 million *USD*, setting a new record for system sales achieved in any one quarter, growing 14% over the first quarter of 2010.
 - Scheduled (recurring) system sales for the first quarter were a record high of \$1.68 million *USD* growing 15% over the same period in 2010.
 - Unscheduled system sales were a record high of \$880,000 *USD* growing 5% over the first quarter of 2010.
 - Recycling system sales were a record high of \$967,000 *USD* growing 19% over the same period in 2010.
- Redishred's corporate locations generated \$174,000 *CDN* in earnings before interest, taxes, depreciation and amortization ("EBITDA") in the first quarter of 2011.
- Royalty revenue for the first quarter of 2011 was \$219,000 *CDN*. Royalty and service revenues are generated by franchises of the **PROSHRED®** franchise system and are originally denominated in US dollars.
- On May 16, 2011, Redishred announced the addition of the Indianapolis, Indiana franchise to the system. Operations commenced in June of 2011. This marks the Company's 19th **PROSHRED®** location in the United States.

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

Financial Highlights:

For the three months ended,	<u>March 31, 2011</u>	<u>March 31, 2010</u>
	\$	\$
System sales (USD)	3,530,693	3,108,481
Royalty and service fee revenues	219,428	242,013
Corporate operations:		
Service and recycling revenue	491,764	-
Income from corporate locations	73,707	-
Operating income (loss)	(167,115)	(118,596)
Net income (loss)	(325,908)	(211,110)
Income (loss) per share	(0.01)	(0.01)
Weighted average number of common shares	28,884,658	22,884,658

Management’s Comments on the Industry

The North American shredding industry has continued to grow, as there is continued and increasing awareness with respect to the following demand drivers:

- consumers and businesses have heightened awareness of their responsibility towards safeguarding the environment;
- 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;
- an increasing need to destroy and recycle other media such as hard-drives; and
- corporate initiatives to outsource “non-core” business services.

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 First Quarter of 2011

Jeffrey Hasham, the Company’s CEO, had the following comments on the first quarter results, “We are pleased that our system has recorded a new sales record yet again. These results have been driven by increasing the awareness and education of our customers on the need to shred documents and destroy materials using the Proshred system. Once again, the sales increases were across almost every location. I would like to commend our franchisees and corporate store teams for their continued efforts in their communities.”

System Sales – Redishred’s management team continued to focus its efforts through its franchisees and its corporate locations on (1) building recurring service revenues and (2) optimizing routing and logistical efficiencies. The strong 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, 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 and license development – On May 16, 2011, Redishred announced that Ken Carite was awarded the Indianapolis, IN **PROSHRED®** franchise, which marks **PROSHRED®**’s fourth location in the Midwest, and 19th overall.

Ken Carite, the new Indianapolis franchisee, stated “I searched for over a year to identify the right business model for my new business endeavor. I selected Proshred because I think document security is relevant in today’s world of identity theft. I firmly believe that there is solid demand for a “best in class” service in Central Indiana. Proshred is attractive because it has a solid infrastructure and support system in addition to a successful base of existing locations. I look forward to duplicating the Proshred model in Indianapolis and growing a great business.”

Acquisitions and Corporate Operations – Since April 30, 2010, Redishred has completed three acquisitions in Syracuse, Albany, and Milwaukee. The New York locations are managed from the Syracuse regional office. The Wisconsin location is corporately operated as of January 1, 2011. The acquisitions have been accretive to Redishred’s cash flows, generating the following results in the first quarter of 2011:

<i>(in CDN)</i>	3 months ended March 31	
	2011 \$	% of revenue
Revenue:		
Shredding service	362,323	74%
Recycling	129,441	26%
Total revenue	491,764	100%
Operating costs	319,479	65%
Operating income	172,285	35%
Depreciation	29,783	6%
Interest expense	68,795	14%
Corporate store income	73,707	15%

Community and Social Commitment – Our locations under the **PROSHRED®** banner conducted 72 community shredding events up to May 31, 2011. 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 quarter of 2011, the **PROSHRED®** system, through its recycling program, saved 78,800 trees.

Financial Statements

Redishred's March 31, 2011 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. In addition to the ISO certification, almost all of our franchise and corporate locations are NAID AAA certified. It is **PROSHRED**®'s vision 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 and 2010 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) anticipated system sales and royalty revenue which may be impacted by industry growth levels which to date have been driven by favorable legislation and favorable media coverage on the impacts of identity theft.*

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.