

PRESS RELEASE
REDISHRED CAPITAL CORP.
Mississauga, Ontario
August 23, 2011

**REDISHRED CAPITAL CORP. ANNOUNCES SECOND QUARTER RESULTS –
HIGHLIGHTING RECORD SYSTEM SALES**

Second Quarter Highlights:

- System sales⁽¹⁾ in our **PROSHRED®** system were \$3.95 million *USD*, setting a new record for system sales achieved in any one quarter, growing 23% over the second quarter of 2010.
 - Scheduled (recurring) system sales for the second quarter were a record high of \$1.7 million *USD*.
 - Unscheduled system sales were a record high of \$930,000 *USD*.
 - Recycling system sales were a record high of \$1.3 million *USD*.
- Redishred's corporate locations generated \$217,728 *CDN* in earnings before interest, taxes, depreciation and amortization ("EBITDA") in the second quarter of 2011.
- Royalty revenue for the second quarter of 2011 was \$242,000 *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. As a result, Redishred generated \$62,000 *CDN* in franchise revenue during the second quarter of 2011.

⁽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,	June 30, 2011	June 30, 2010
	\$	\$
Franchise operations:		
System sales (USD)	3,951,035	3,202,222
Franchise and license fee revenues	61,989	-
Royalty and service fee revenues	242,222	235,092
Total franchise and license revenue	304,211	235,092
Corporate operations:		
Service and recycling revenue	523,068	100,685
Income from corporate locations	114,194	7,809
Operating income (loss)	(83,756)	(169,176)
Operating income (loss) – excluding one-time costs	3,925	(169,176)
Net income (loss)	(244,583)	(216,006)
Income (loss) per share	(0.01)	(0.01)

For the six months ended,	June 30, 2011	June 30, 2010
	\$	\$
Franchise operations:		
System sales (USD)	7,481,728	6,310,703
Franchise and license fee revenues	61,989	-
Royalty and service fee revenues	461,650	477,105
Total franchise and license revenue	523,639	477,105
Corporate operations:		
Service and recycling revenue	1,014,832	100,685
Income from corporate locations	187,903	7,809
Operating income (loss)	(253,301)	(287,771)
Operating income (loss) – excluding one-time costs	(121,013)	(287,771)
Net income (loss)	(570,489)	(427,117)
Income (loss) per share	(0.02)	(0.01)
Weighted average number of common shares	28,884,658	28,884,658

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:

- 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;
- corporate initiatives to outsource “non-core” business services; and
- consumers and businesses have heightened awareness of their responsibility towards the environment.

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 of 2011

Jeffrey Hasham, the Company’s CEO, had the following comments on the second quarter results, “Once again our system set new sales records in every revenue category. These strong results are driven by our sales programs targeted at educating our clients on the requirement to securely destroy their confidential documents. Additionally, we are pleased that we continue to recycle more paper every quarter, which helps save trees and reduce our carbon footprint. I would like to thank the entire Proshred team in contributing towards these record results.”

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) maximizing route density 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 Milwaukee 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 three and six months ended June 30, 2011:

	3 months ended June 30				6 months ended June 30			
	2011 \$	% of revenue	2010¹ \$	% of revenue	2011 \$	% of revenue	2010¹ \$	% of revenue
Revenue:								
Shredding service	365,277	70%	79,195	79%	727,600	72%	79,195	79%
Recycling	157,791	30%	21,490	21%	287,232	28%	21,490	21%
Total revenue	523,068	100%	<u>100,685</u>	100%	1,014,832	100%	<u>100,685</u>	100%
Operating costs	305,340	58%	<u>74,012</u>	74%	624,819	62%	<u>74,012</u>	74%
EBITDA	217,728	42%	<u>26,673</u>	26%	390,013	38%	<u>26,673</u>	26%
Depreciation ²	33,975	6%	9,666	10%	63,757	6%	9,666	10%
Interest expense	69,559	13%	<u>9,198</u>	9%	138,353	14%	<u>9,198</u>	9%
Corporate operating income	114,194	22%	<u>7,809</u>	8%	187,903	19%	<u>7,809</u>	8%

¹ The results for the three and six months ended June 30, 2010 include the corporate operations of Syracuse, which began May 1, 2010.

² Includes depreciation expense taken on tangible assets, including shredding vehicles, computer equipment, bins and shredding containers, recycling equipment and furniture.

Community and Social Commitment – Our locations under the **PROSHRED®** banner conducted 88 community shredding events up to June 30th, 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 second quarter of 2011, the **PROSHRED®** system, through its recycling program, saved 85,200 trees and has saved 164,000 trees in the first half of 2011.

Financial Statements

Redishred's June 30, 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. 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 2010 and 2011 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; and*
- (ii) the short, intermediate and long-term development plans which may be impacted by negative economic circumstances and industry growth levels.*

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.