

PRESS RELEASE
REDISHRED CAPITAL CORP.
Mississauga, Ontario
April 30, 2013

REDISHRED CAPITAL CORP. ANNOUNCES FOURTH QUARTER AND YEAR-END 2012 RESULTS

Fourth Quarter and Annual Highlights:

- Total system sales⁽¹⁾ in our **PROSHRED®** system were \$3.75 million *USD* in the fourth quarter of 2012, growing 8% over the comparative period:
 - Scheduled (recurring) system sales for the fourth quarter reached a record of \$1.93 million *USD*, growing 11% over the fourth quarter of 2011;
 - Unscheduled system sales for the fourth quarter reached a record of \$1.13 million *USD*, growing 25% over the same quarter in 2011 and;
 - Recycling system sales declined by 17% over the fourth quarter of 2012 as a result of the decrease in the commodity price of recycled paper over the same quarter in 2011.
- Total annual **PROSHRED®** system sales⁽¹⁾ were \$14.9 million *USD* in 2012:
 - Scheduled system sales were \$7.5M *USD*, growing 10% over 2011;
 - Unscheduled system sales were \$4.4M *USD*, growing 22% over the prior year and;
 - Recycling system sales were \$3M *USD*, declining by 33% over 2011.
 - The volume of paper recycled by the system increased by 6% in 2012 over 2011 with a total of 23,300 tonnes of paper shredded and recycled. This equates to approximately 350,000 trees being saved.
- Royalty revenue for the fourth quarter of 2012 was \$210,000 *CDN*. Royalty and service revenues are generated by franchises of the **PROSHRED®** franchise system and are originally denominated in US dollars. Royalty revenues for 2012 were \$823,500 *CDN*.
- During the year ended December 31, 2012, the Company acquired the **PROSHRED®** New York City and Miami businesses from existing franchisees. In conjunction with the purchase of the businesses, the exiting franchisees withdrew from the legal complaints filed against the Company in June 2010.
- On October 24th, 2012, the Company entered into an agreement with a new franchisee to operate a **PROSHRED®** shredding business in Richmond, VA. The new franchisee commenced operations in March, 2013.
- During the first three quarters of 2012, the Company awarded two new franchisees including Chicago North, IL and Houston, TX. These franchisees commenced operations in September 2012 and November 2012, respectively.
- Redishred's four corporate locations in Syracuse, Albany, Milwaukee, and New York City earned \$639,000 *CDN* in revenues during the three months ended December 31, 2012 and \$2.9M *CDN* during the year ended December 31, 2012. The Company's corporate locations also generated \$129,000 *CDN* in earnings before interest, taxes, depreciation and amortization ("EBITDA") during the fourth quarter of 2012 and \$603,000 *CDN* during the 12 months ended December 31, 2012.

(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 three months ended,	December 31, 2012	December 31, 2011
	\$	\$
System sales (USD)	3,754,629	3,474,657
Franchise operations:		
Franchise and license fee revenues	70,595	371,355
Royalty and service fee revenues	210,420	229,059
Total franchise and license revenue	281,015	600,414
Corporate operations:		
Service and recycling revenue	638,794	483,183
Operating costs	(509,561)	(316,774)
EBITDA from corporate locations	129,233	166,411
Operating loss	(278,851)	(90,563)
Operating loss– excluding one-time costs	(256,629)	(60,602)
Impairment of goodwill	(232,103)	(247,688)
(Impairment) reversal of intangible assets	(312,904)	836,919
Loss on settlement of pre-existing franchise relationships	(225,391)	-
Net income (loss)⁽¹⁾	(969,287)	423,409
Net income (loss) – excluding one-time costs⁽¹⁾	(179,960)	(14,298)
Income (loss) per share	(0.04)	(0.01)

(1) For the fourth quarter of 2012, net income (loss) – excluding one-time costs excludes legal fees related to the defence of the current franchisee litigation against the Company, impairment of goodwill and intangible assets, and a loss on settlement of the pre-existing relationships as part of the New York City and Miami acquisitions. For the fourth quarter of 2011, net income (loss) – excluding one-time costs excludes legal fees related to the defence of the current franchisee litigation and \$589,231 of a net impairment reversal.

For the year ended,	December 31, 2012	December 31, 2011
	\$	\$
System sales (USD)	14,890,134	14,936,708
Franchise operations:		
Franchise and license fee revenues	304,478	433,396
Royalty and service fee revenues	823,577	934,192
Total franchise and license revenue	1,128,055	1,367,588
Corporate operations:		
Service and recycling revenue	2,931,922	2,011,795
Operating costs	(2,328,340)	(1,230,143)
EBITDA from corporate locations	603,582	781,652
Operating loss	(978,326)	(703,730)
Operating loss – excluding one-time costs	(746,829)	(104,375)
Impairment of goodwill	(232,103)	(247,688)
(Impairment) reversal of intangible assets	(312,904)	836,919
Loss on settlement of pre-existing franchise relationships	(712,566)	-
Net loss⁽¹⁾	(2,802,536)	(445,083)
Net loss – excluding one-time costs⁽¹⁾	(1,459,444)	(444,959)
Loss per share	(0.10)	(0.02)
Weighted average number of common shares	28,884,658	28,884,658

(1) Net loss includes amortization of intangible assets of \$751,517 (December 31, 2011 - \$496,694), which increased over the same quarter in 2011 due to the reversals of previously recorded impairment related to the adoption of IFRS and due to the acquisitions of the New York City and Miami intangible assets as part of the purchase of the business. For the year ended December 31, 2012, net loss excluding one-time costs excludes the loss on settlement of the pre-existing relationships related to the New York City and Miami acquisitions, the franchisee litigation costs, impairment of goodwill and intangible assets, and the gains on the re-acquired rights and sale of assets. For the year ended December 31, 2011, net loss excluding one-time costs excludes \$589,231 of net impairment reversal.

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.

Given these strong fundamentals, the company continues to be optimistic about its short, intermediate and long-term development plans. These factors have helped the Company drive shredding service system sales and revenues.

Recycling system sales are driven by the quantity of paper shred and by the price of paper per ton, which is driven by both domestic and global markets for this commodity. For the year ended December 31, 2012, paper prices were 39% lower than the same period in 2011 in the system, due to overall weak demand for paper and other natural resources both domestically in the United States and globally.

Management's Comments on the Fourth Quarter of 2012

Jeffrey Hasham, the Company's CEO, had the following comments on the fourth quarter results, “We are happy to report that service system sales continue to climb over prior years, which is a testament to our customer service focus and our continued investment in new sales and marketing programs. We also awarded one new franchise, for the Richmond, VA market, which allows Proshred to service almost the entire state of Virginia. Our Corporate locations, in particular our newly acquired New York City location, continued to struggle with service truck issues and was negatively impacted by Hurricane Sandy, which negatively impacted sales and cash flows generated. The Company has replaced the entire fleet in the New York City market with new equipment, allowing us to service clients in a consistent manner going forward into 2013.”

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 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, 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. 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 four locations have deployed the high speed on-site hard drive destruction trucks.

These factors led to strong growth in scheduled and unscheduled sales in the fourth quarter of 2012 of 11% and 25% over the same period in 2011, respectively. Collectively service related system sales grew 16% over the fourth quarter of 2011.

For the year ended December 31, 2012, scheduled and unscheduled sales grew by 10% and 22%, respectively. Service related system sales in 2012 grew 14% over 2011.

Recycling system sales declined by 33% for the year ended December 31, 2012 in comparison to 2011. This was the result of the decrease in paper prices attained by the system of 39% offset by an increase of 6% in the volume of paper shredded and recycled. During the year ended December 31, 2012, the system recycled 23,300 tons of paper, which equate to 350,000 trees being saved.

Franchise and license development

On January 31, 2012, Redishred announced that it had entered into an agreement with its Chicago South franchisee to purchase the Chicago North territory. The Chicago South franchisee also renewed his Franchise Agreement for an additional five year period.

On August 13, 2012, the Company entered into an agreement with a new franchisee to operate a **PROSHRED®** shredding business in Houston, Texas, which comprises 5.7 territories. The new franchisee commenced operations in the fourth quarter of 2012.

On October 24, 2012, the Company entered into an agreement with a new franchisee to operate a **PROSHRED®** shredding business in Richmond, Virginia. The new franchisee commenced operations in the first quarter of 2013.

Acquisitions and Corporate Operations

During the year ended December 31, 2012, the Company acquired the **PROSHRED®** New York City and **PROSHRED®** Miami businesses. The Company has been operating the New York City corporately since January 1, 2012. The Miami business is currently operated by one of the Company's franchise locations. The Company earns royalty revenue and rental revenue from the franchise location currently operating the Miami business.

In 2012, the Company operated four shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI and New York City, NY, which generated the following results in the three and twelve months ended December 31, 2012. Operating costs increased over the same periods in the prior year as a result of higher truck repair and maintenance costs in New York City, which led to increased costs of operation as well as increased downtime. The New York City location incurred \$142,623 in truck repair costs during the year ended December 31, 2012. During the third quarter, the Company replaced two of its existing shredding vehicles with new shredding equipment with a view to minimize service disruptions and repair costs. Subsequent to year-end, the Company replaced two more of its existing shredding vehicles with new shredding equipment. The Company continues to assess its truck fleet to ensure that customer service levels are maintained at high levels, and operational efficiencies are maximized. The corporate operations also experienced a 38% decline in recycling revenue as a result of the decline in paper prices. For the year ended December 31, 2012 this resulted in a decrease of \$215,941 in recycling revenue for the three corporate locations that were in operation in both 2011 and 2012.

Corporate Locations:

	3 months ended December 31				12 months ended December 31			
	2012	% of revenue	2011 ¹	% of revenue	2012	% of revenue	2011 ¹	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	518,208	81%	368,038	76%	2,363,002	81%	1,437,817	71%
Recycling	120,586	19%	115,145	24%	568,920	19%	573,978	29%
Total revenue	638,794	100%	483,183	100%	2,931,922	100%	2,011,795	100%
Operating costs	509,561	80%	316,774	66%	2,328,340	79%	1,230,143	61%
EBITDA	129,233	20%	166,411	34%	603,582	21%	781,652	39%
Depreciation – tangible assets	39,044	6%	34,271	7%	231,018	8%	130,536	6%
Interest expense	161,915	25%	78,240	16%	591,983	20%	286,915	14%
Corporate operating income	(71,726)	(11)%	53,900	11%	(219,419)	(7)%	364,201	18%

¹ The results for the three and twelve months ended December 31, 2011 include the corporate operations of Syracuse, Albany and Milwaukee.

Same Store Corporate Locations:

Same store corporate operational results are indicators of performance of corporate stores that have been in the system for equivalent periods in 2012 and 2011. Same store corporate results include the operations of Syracuse, Albany and Milwaukee. For the three and twelve months ended December 31, 2012, recycling revenues decreased by 33% and 38% respectively as a result of the significant decline in paper prices. This led to the decline in EBITDA and operating income for both periods.

	3 months ended December 31				12 months ended December 31			
	2012	% of revenue	2011	% of revenue	2012	% of revenue	2011	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	300,260	79%	368,038	76%	1,377,672	79%	1,437,817	71%
Recycling	77,213	21%	115,145	24%	358,035	21%	573,978	29%
Total revenue	377,473	100%	483,183	100%	1,735,707	100%	2,011,795	100%
Operating costs	271,591	72%	316,774	66%	1,187,963	68%	1,230,143	61%
EBITDA	105,882	28%	166,409	34%	547,744	32%	781,652	39%
Depreciation – tangible assets	27,658	7%	34,271	7%	136,286	8%	130,536	6%
Interest expense	73,707	20%	78,240	16%	296,457	17%	286,915	14%
Corporate operating income	4,517	1%	53,900	11%	115,001	7%	364,201	18%

Community and Social Commitment

Our locations under the **PROSHRED®** banner conducted 180 community shredding events in the year ended December 31, 2012. 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 twelve months ended December 31, 2012, the **PROSHRED®** system, through its recycling program, saved 350,000 trees, an increase of 7% over 2011.

Convertible debentures

On December 31, 2012, the Company issued \$375,000 convertible, unsecured subordinated, debentures. The debentures have a five year term and a coupon of 7.5% interest per annum. Each \$1,000 principal amount of debenture entitles the holder to convert to approximately 3,333 common shares at a conversion price of \$0.30 per share. All of the Debentures have been acquired by insiders of Redishred.

Financial Statements

Redishred's 2012 Annual 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 four 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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

or,

Redishred Capital Corp. (TSX.V – KUT)
Kasia Pawluk, CA
Chief Financial Officer
kasia.pawluk@redishred.com
www.redishred.com
Phone: (416) 204-0076 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 2012 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) the short, intermediate and long-term development plans which may be impacted by negative economic circumstances and industry growth levels, and*
- (ii) the anticipated reduction in downtime related to the purchase of two new shredding trucks may be impacted by unforeseen mechanical issues related to the two new trucks.*

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.