

PRESS RELEASE
REDISHRED CAPITAL CORP.
Mississauga, Ontario
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REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES THIRD QUARTER 2013 RESULTS – RECORD SALES ACHIEVED

Third Quarter Highlights:

- Total system sales⁽¹⁾ in the **PROSHRED**[®] system were \$4.3 million *USD* in the third quarter of 2013, growing 16% over the comparative period in 2012.
 - Scheduled (recurring) system sales for the third quarter reached a record of \$2.26 million *USD*, growing 20% over the third quarter of 2012;
 - Unscheduled system sales for the third quarter reached a record of \$1.33 million *USD*, growing 30% over the third quarter in 2012 and;
 - Recycling system sales of \$734,000 *USD* decreased by 10% over the third quarter of 2012 as a result of a decline in the price of paper.
 - The **PROSHRED**[®] system shred and recycled 13% more paper during the third quarter of 2013 than during the third quarter of 2012.
- Royalty and license revenue for the third quarter of 2013 was \$264,000 *CDN*. Royalty and service revenues are generated by franchises of the **PROSHRED**[®] franchise system and are originally denominated in US dollars.
- During the third quarter of 2013, the Company entered into agreements with two new franchisees to operate a **PROSHRED**[®] shredding business in the San Francisco Bay Area, California and Seattle, Washington. The new franchisees commenced operations in the fourth quarter of 2013. The Company recognized \$251,000 *CDN* in franchise fees associated with the new franchises in the third quarter of 2013.
- On August 1, 2013, the Company acquired the **PROSHRED**[®] Charlotte business from an existing franchisee, which marks the Company’s 5th directly operated corporate location. The Charlotte business has been operated directly by Redishred since August 1, 2013.
- The Company’s five directly operated corporate locations in Syracuse, Albany, Milwaukee, New York City and Charlotte produced \$937,034 *CDN* in revenues during the three months ended September 30, 2013. The Company’s five directly operated corporate locations generated \$361,000 *CDN* in earnings before interest, taxes, depreciation and amortization (“EBITDA”) during the third quarter of 2013.
- The Company earned a record \$1.46M *CDN* in revenues during the three months ended September 30, 2013. This represents a growth of 36% over the prior comparative period.
- During the three months ended September 30, 2013, the Company generated \$136,000 *CDN* in operating income, which was driven by the corporate locations EBITDA and growth in franchising sales and royalty revenue.
- Net loss for the third quarter of 2013 was \$214,000 *CDN*, down from a net loss of \$591,000 *CDN* for the third quarter of 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,

September 30, 2013
\$

September 30, 2012
\$

System sales (USD)	4,337,484	3,738,939
Franchise operations:		
Franchise and license fee revenues	264,205	140,605
Royalty and service fee revenues	251,040	203,037
Total franchise and license revenue	515,245	343,642
Corporate operations⁽¹⁾:		
Service and recycling revenue	948,625	729,645
Operating costs	(576,365)	(611,076)
EBITDA from corporate locations	372,260	118,569
Operating income (loss)	136,398	(206,447)
Net loss	(214,588)	(591,396)
Loss per share	(0.01)	(0.02)
Weighted average number of common shares outstanding – basic and diluted	28,884,658	28,884,658

(1) *Corporate operations include the results of the Miami business.*

For the nine months ended,	September 30, 2013	September 30, 2012
	\$	\$
Franchise operations:		
System sales (USD)	12,767,211	11,144,470
Franchise and license fee revenues	266,764	235,524
Royalty and service fee revenues	735,268	611,516
Total franchise and license revenue	1,002,032	847,040
Corporate operations⁽¹⁾:		
Service and recycling revenue	2,442,125	2,293,128
Operating costs	(1,573,307)	(1,818,779)
EBITDA from corporate locations	868,818	474,349
Operating loss	(113,606)	(697,645)
Net loss⁽²⁾	(503,184)	(1,833,249)
Net loss – excluding one-time costs⁽²⁾	(503,184)	(1,304,379)
Loss per share	(0.01)	(0.06)
Weighted average number of common shares	28,884,658	28,884,658

(1) Corporate operations include the results of the Miami business.

(2) For the nine months ending September 30, 2012, net loss includes \$487,175 of the loss on settlement of the pre-existing relationship related to the NYC and Miami acquisitions, one-time costs related to the franchisee litigation and the recovery of bad debt related to the Miami acquisition. These costs have been classified as one-time costs.

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/equipment 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 five franchised locations have deployed high-speed on-site hard drive destruction trucks.

These factors led to strong growth in scheduled and unscheduled sales in the third quarter of 2013 of 20% and 30% over the same quarter in 2012, respectively.

Recycling system sales decreased by 10% for the three months ended September 30, 2013 in comparison to the same period in 2012 as a result of the decline in the price of paper. During the nine months ended September 30, 2013, the **PROSHRED®** system shred and recycled 19,000 tons of paper, which equates to 285,000 trees saved.

Corporate Operations

During the nine months ended September 30, 2013, Redishred directly operated five shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI, New York City, NY and Charlotte, NC. The Miami business is jointly operated by Redishred and the Company's Tampa Bay, FL franchisee location. The Company earned rental revenue from the Miami business and is included below.

On August 1, 2013, the Company acquired the Charlotte franchise. The two month results of the Charlotte business are included in the three and nine month results of the corporate operations. During the three months ended September 30, 2013, the corporate location revenues grew by 30% over the same comparative prior year period. The Company has also reduced its operating costs by 6% in the third quarter of 2013 over the third quarter of 2012. As a result, EBITDA increased 225% over the three months ended September 30, 2012.

All Corporate Locations Results:

	3 months ended September 30				9 months ended September 30			
	2013	% of revenue	2012	% of revenue	2013	% of revenue	2012	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	774,454	82%	577,305	79%	1,972,759	81%	1,837,359	80%
Recycling	162,580	17%	144,904	20%	435,121	18%	448,333	19%
Rental revenue	11,591	1%	7,436	1%	34,245	1%	7,436	1%
Total revenue	948,625	100%	729,645	100%	2,442,125	100%	2,293,128	100%
Operating costs	576,365	62%	611,076	85%	1,573,307	65%	1,818,779	80%
EBITDA	372,260	39%	118,569	15%	868,818	35%	474,349	20%

All Corporate Locations Trend:

	2013			2012		
	Q3	Q2	Q1	Q4	Q3	Q2
Corporate location revenue	948,625	800,997	692,503	638,795	729,645	757,546
Corporate location EBITDA	372,260	298,746	197,812	129,023	118,569	155,596

Same Store Corporate Locations Results:

Same store corporate operation results are indicators of performance of corporate stores that have been in the system for equivalent periods in 2013 and 2012. Same store corporate results include the operations of Syracuse, Albany, Milwaukee and New York City. During the three months ended September 30, 2013, the same store corporate location revenues grew by 6% and operating costs were reduced by 26%. This led to an increase in EBITDA of 181%.

	3 months ended September 30				9 months ended September 30			
	2013	% of revenue	2012	% of revenue	2013	% of revenue	2012	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	636,176	83%	577,305	80%	1,834,481	82%	1,837,359	80%
Recycling	128,894	17%	144,904	20%	401,436	18%	448,333	20%
Total revenue	765,070	100%	722,209	100%	2,235,917	100%	2,285,692	100%
Operating costs	452,392	59%	611,076	85%	1,443,859	65%	1,818,779	80%
EBITDA	312,678	41%	111,133	15%	792,058	35%	466,913	20%

Management's Comments on the Third Quarter of 2013

Jeffrey Hasham, the Company's CEO, had the following comments on the third quarter results, "We are pleased that all elements of our business are growing concurrently. System sales hit all-time records, driven by shredding service sales; our corporate locations are now starting to perform at satisfactory levels; and we have grown our location footprint to include two key markets, San Francisco and Seattle. The investments made in our people and in new on-site shredding trucks are starting to pay off, and management will continue to look to push for strong results over the next twelve months."

Community and Social Commitment

Our locations under the **PROSHRED**® banner conducted 94 community shredding events in the nine months ended September 30, 2013 as well as 19 community shredding events for Earth Day. 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.

Financial Statements

Redishred's September 30, 2013 Interim 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 five 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.

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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.