

**PRESS RELEASE**  
**REDISHRED CAPITAL CORP.**  
Mississauga, Ontario  
May 28, 2013

**REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES FIRST QUARTER 2013 RESULTS**

**First Quarter Highlights:**

- Total system sales<sup>(1)</sup> in our **PROSHRED®** system were a record \$4.02 million *USD* in the first quarter of 2013, growing 10% over the comparative period of the first quarter of 2012:
  - Scheduled (recurring) system sales for the first quarter reached a record of \$2.06 million *USD*, growing 12% over the first quarter of 2012;
  - Unscheduled system sales for the first quarter reached a record of \$1.19 million *USD*, growing 11% over the first quarter in 2012 and;
  - Recycling system sales of \$766,000 *USD* increased by 4% over the first quarter of 2012.
- Royalty and license revenue for the first quarter of 2013 was \$233,000 *CDN*, growing 15% over the first quarter of 2012. Royalty and service revenues are generated by franchises of the **PROSHRED®** franchise system and are originally denominated in US dollars.
- Redishred’s four corporate locations in Syracuse, Albany, Milwaukee, and New York City produced \$675,000 *CDN* in revenues during the three months ended March 31, 2013. The Company’s corporate locations generated \$185,000 *CDN* in earnings before interest, taxes, depreciation and amortization (“EBITDA”) during the first quarter of 2013.
- Net loss for the first quarter of 2013 was \$220,000 *CDN*, down from a net loss of \$823,000 *CDN* for the first 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,	March 31, 2013	March 31, 2012
	\$	\$
<b>System sales (USD)</b>	<b>4,023,517</b>	3,653,979
<b>Franchise operations:</b>		
Franchise and license fee revenues	1,165	93,487
Royalty and service fee revenues <sup>(2)</sup>	232,349	201,627
<b>Total franchise and license revenue</b>	<b>233,514</b>	295,114
<b>Corporate operations:</b>		
Service and recycling revenue	674,616	805,936
Operating costs	(489,442)	(605,545)
<b>EBITDA from corporate locations</b>	<b>185,174</b>	200,391
<b>Operating loss</b>	<b>(181,740)</b>	(176,813)
<b>Loss on settlement of pre-existing franchise relationship</b>	<b>–</b>	(350,700)
<b>Net loss</b>	<b>(220,417)</b>	(823,470)
<b>Net loss – excluding one-time costs<sup>(1)</sup></b>	<b>(220,417)</b>	(403,508)
<b>Loss per share</b>	<b>(0.01)</b>	(0.03)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>28,884,658</b>	28,884,658

(1) “Net loss – excluding one-time costs” for the three months ended March 31, 2012 excludes \$350,700 of the loss on settlement of the pre-existing relationship related to the NYC acquisition and one-time costs related to the franchisee litigation.

(2) Royalty and service fee revenues include royalties and service fees from the Miami business currently held for sale of \$6,733.

## 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 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 first quarter of 2013 of 12% and 11% over the same period in 2012, respectively.

Recycling system sales increased by 4% for the three months ended March 31, 2013 in comparison to 2012. During the first quarter of 2013, the **PROSHRED®** system shredded and recycled 5,700 tons of paper, which equates to 85,000 trees being saved.

## Corporate Operations

During the three months ended March 31, 2013, Redishred operated four shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI and New York City, NY. The Miami business is jointly operated by Redishred and the Company's Tampa Bay, FL franchisee location. The Company is currently negotiating the sale of the Miami business to this franchise. The results of the Miami business are not included below.

During the first quarter of 2013, the Company replaced four of its existing shredding vehicles with two new shredding vehicles in its' New York City location in order to ensure that high customer service levels are maintained and operational efficiencies are maximized. The Syracuse and Milwaukee locations experienced significant truck down-time resulting in a decline in revenues over the prior period. The Company is currently refurbishing the affected shredding vehicles to ensure that high customer service levels are maintained. The Company has implemented GPS tracking tools and route optimization systems with a view to increasing route density. Furthermore, the Company has significantly reduced its operating costs to mitigate the decline in sales.

## Corporate Locations Results:

	<i>3 months ended March 31</i>			
	<b>2013</b>	% of revenue	<b>2012</b>	% of revenue
	<b>\$</b>		<b>\$</b>	
Revenue:				
Shredding service	<b>547,581</b>	81%	641,168	80%
Recycling	<b>127,035</b>	19%	164,768	20%
Total revenue	<b>674,616</b>	100%	805,936	100%
Operating costs	<b>489,442</b>	73%	605,545	75%
EBITDA	<b>185,174</b>	27%	200,391	25%

## Corporate Locations Trend:

	<b>2013</b>	<b>2012</b>		
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
Corporate location revenue	674,616	638,794	729,645	757,546
Corporate location EBITDA	185,174	129,233	118,570	155,596

### **Management's Comments on the First Quarter of 2013**

Jeffrey Hasham, the Company's CEO, had the following comments on the first quarter results, "We are pleased to note that service system sales continue to increase over prior years, setting a new quarterly record in Q1, which is a testament to our franchisees and employee's customer service focus and our continued investment in new sales and marketing programs. Our Corporate locations, in the first quarter demonstrated a rebound in EBITDA versus the fourth quarter of 2012, as the Company continued to invest in new trucks and new routing technology, which helped us better service customers, which drove the turnaround in corporate location EBITDA. The Company has also hired new sales resources in its corporate locations in Q1 with a view to building stronger service revenues."

### **Community and Social Commitment**

Our locations under the **PROSHRED®** banner conducted 27 community shredding events in the three months ended March 31, 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](http://www.proshred.com).

## Financial Statements

Redishred's March 31, 2013 Interim Financial Statements, Notes and Management's Discussion and Analysis will be available at [www.sedar.com](http://www.sedar.com) and [www.redishred.com](http://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:

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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 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 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; and*
- (ii) the sale of the Miami operations which may be impacted by market conditions and the Company's ability to negotiate acceptable terms.*

*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.*