

**PRESS RELEASE**  
**REDISHRED CAPITAL CORP.**  
Mississauga, Ontario  
April 30, 2014

**REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES FOURTH QUARTER AND YEAR-END 2013 RESULTS**

**Fourth Quarter Highlights:**

- Total system sales <sup>(1)</sup> in the **PROSHRED**<sup>®</sup> system were \$4.3 million *USD* in the fourth quarter of 2013, growing 15% over the comparative period in 2012.
  - Scheduled (recurring) system sales for the fourth quarter reached a record of \$2.29 million *USD*, growing 19% over the fourth quarter of 2012;
  - Unscheduled system sales for the fourth quarter reached \$1.35 million *USD*, growing 19% over the fourth quarter in 2012 and;
  - Recycling system sales for the fourth quarter were \$687,000 *USD* a decrease of 1% over the fourth quarter of 2012 as a result of a decline in the price of paper.
  - The **PROSHRED**<sup>®</sup> system shred and recycled 10% more paper during the fourth quarter of 2013 than during the fourth quarter of 2012.
- Royalty and license revenue for the fourth quarter of 2013 was \$239,000 *CDN*. This category of revenue is generated by franchisees and licensees of the **PROSHRED**<sup>®</sup> system, originally denominated in US dollars.
- The Company’s five directly operated corporate locations in Syracuse, Albany, Milwaukee, New York City and Charlotte produced \$985,000 *CDN* in revenues during the three months ended December 31, 2013. The Company’s five directly operated corporate locations generated \$364,000 *CDN* in earnings before interest, taxes, depreciation and amortization (“EBITDA”) during the fourth quarter of 2013.

**Annual Highlights:**

- Total annual **PROSHRED**<sup>®</sup> system sales <sup>(1)</sup> were \$17.1 million *USD* in 2013, growing 15% over 2012.
  - Scheduled (recurring) system sales were \$8.7 million *USD*, growing 17% over 2012;
  - Unscheduled system sales were \$5.3 million *USD*, growing 22% over 2012 and;
  - Recycling system sales were \$3 million *USD* and remained consistent with the prior year.
- The Company awarded two new franchise locations in San Francisco, California and Seattle, Washington, recognizing \$264,000 *CDN* in franchise fees. The new franchise locations commenced operations in the fourth quarter of 2013.
- The Company’s corporate locations produced \$3.4 million *CDN* in revenues during 2013, growing 16% over 2012, and generated \$1.2 million *CDN* in EBITDA during 2013, an increase of 99% over 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:**

<b>For the three months ended,</b>	<u>December 31, 2013</u>	<u>December 31, 2012</u>
	\$	\$
<b>System sales (USD)</b>	<b>4,332,480</b>	3,754,629
<b>Franchise operations:</b>		
Franchise and license fees	<b>4,047</b>	70,595
Royalty and service fees	<b>235,721</b>	210,420
<b>Total franchise and license revenue</b>	<b>239,768</b>	281,015
<b>Corporate operations<sup>(1)</sup>:</b>		
Total revenue	<b>985,158</b>	649,944
Operating costs	<b>(620,851)</b>	(509,825)
<b>Adjusted EBITDA from corporate locations</b>	<b>364,307</b>	140,119
<b>Operating loss</b>	<b>(211,493)</b>	(278,851)
<b>Net income (loss)<sup>(2)</sup></b>	<b>462,719</b>	(969,287)
<b>Net loss – excluding one-time costs<sup>(2)</sup></b>	<b>(129,749)</b>	(131,162)
<b>Income (loss) per share</b>	<b>0.02</b>	(0.04)
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>28,884,658</b>	28,884,658

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

(2) For the three months ended December 31, 2013, net loss includes the following one-time costs: legal fees related to the defence of the past franchisee litigation, legal fees related to the Charlotte acquisition, additional audit fees, reversal of impairment of \$431,180 and a gain related to the Charlotte acquisition of \$148,228. As of April 29, 2014, all claims against the Company were dismissed. For the three months ended December 31, 2012, net loss includes the following one-time costs: the settlement of the pre-existing franchise relationships as part of the New York City and Miami acquisitions of \$712,567, the impairment of goodwill and other intangible assets of \$545,008, the gain on re-acquired rights of \$138,439, the gain on sale of assets of \$7,540 and one-time operating costs.

For the year ended,	December 31, 2013	December 31, 2012
	\$	\$
<b>Franchise operations:</b>		
<b>System sales (USD)</b>	<b>17,099,691</b>	14,890,134
Franchise and license fees	270,811	304,478
Royalty and service fees	970,989	823,577
<b>Total franchise and license revenue</b>	<b>1,241,800</b>	1,128,055
<b>Corporate operations<sup>(1)</sup>:</b>		
Total revenue	3,427,283	2,950,505
Operating costs	(2,194,157)	(2,330,164)
<b>Adjusted EBITDA from corporate locations</b>	<b>1,233,126</b>	620,341
<b>Operating loss</b>	<b>(325,042)</b>	(980,732)
<b>Net loss<sup>(2)</sup></b>	<b>(40,467)</b>	(2,802,536)
<b>Net loss – excluding one-time costs<sup>(2)</sup></b>	<b>(535,661)</b>	(1,459,444)
<b>Loss per share</b>	<b>(0.00)</b>	(0.10)
<b>Weighted average number of common shares</b>	<b>28,884,658</b>	28,884,658

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## 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, an increasing 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 19% growth in scheduled and unscheduled sales in the fourth quarter of 2013 over the same quarter in 2012.

Recycling system sales decreased by 1% for the three months ended December 31, 2013 in comparison to the same period in 2012 as a result of the decline in the price of paper. During the year ended December 31, 2013, the **PROSHRED®** system shred and recycled 25,000 tons of paper, which equates to 377,000 trees saved.

## Corporate Operations

During the year ended December 31, 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 July 31, 2013, the Company acquired the Charlotte franchise. The five month results of the Charlotte business are included in the three and twelve month results of the corporate operations. During the three months ended December 31, 2013, the corporate location revenues grew by 52% over the same comparative prior year period. The Company has also increased adjusted EBITDA by 160% over the three months ended December 31, 2012.

### All Corporate Locations Results:

	<i>3 months ended December 31</i>				<i>12 months ended December 31</i>			
	<b>2013</b>	% of revenue	<b>2012</b>	% of revenue	<b>2013</b>	% of revenue	<b>2012</b>	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	<b>815,614</b>	83%	518,208	80%	<b>2,788,373</b>	81%	2,363,002	81%
Recycling	<b>157,822</b>	16%	120,586	19%	<b>592,943</b>	18%	568,920	19%
Rental revenue	<b>11,722</b>	1%	11,150	1%	<b>45,967</b>	1%	18,583	1%
Total revenue	<b>985,158</b>	100%	<b>649,944</b>	100%	<b>3,427,284</b>	100%	<b>2,950,505</b>	100%
Operating costs	<b>620,851</b>	63%	509,825	78%	<b>2,194,158</b>	65%	2,330,170	79%
Adjusted EBITDA	<b>364,307</b>	37%	140,119	22%	<b>1,233,126</b>	35%	620,335	21%

**Corporate Locations Trend:**

	2013				2012	
	Q4	Q3	Q2	Q1	Q4	Q3
Corporate location revenue	985,158	948,625	800,997	692,504	649,944	737,078
Corporate location adjusted EBITDA	364,307	372,260	298,746	197,813	140,119	124,436

**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 December 31, 2013, the same store corporate location revenues grew by 11% and operating costs were reduced by 5%. This led to an increase in adjusted EBITDA of 74%.

	3 months ended December 31				12 months ended December 31			
	2013 \$	% of revenue	2012 \$	% of revenue	2013 \$	% of revenue	2012 \$	% of revenue
Revenue:								
Shredding service	<b>603,920</b>	85%	518,208	81%	<b>2,438,401</b>	83%	2,363,002	81%
Recycling	<b>103,221</b>	15%	120,586	19%	<b>504,657</b>	17%	568,920	19%
Total revenue	<b>707,141</b>	100%	638,794	100%	<b>2,943,058</b>	100%	2,931,922	100%
Operating costs	<b>481,978</b>	68%	509,561	80%	<b>1,925,837</b>	65%	2,328,340	79%
Adjusted EBITDA	<b>225,163</b>	32%	129,233	20%	<b>1,017,221</b>	35%	603,582	21%

**Management’s Comments on the Fourth Quarter of 2013**

Jeffrey Hasham, the Company’s CEO, had the following comments on the fourth quarter results, “We continue to be pleased with the performance of the Proshred system as our franchisees continue to see strong double digit growth, as they continue to invest in new equipment and human resources. Simultaneously we have continued to award new franchises to very high caliber individuals who have both achieved a solid start in San Francisco and Seattle. Concurrently, our corporate locations have performed well this year. The investments in new trucks and people made last year have started to pay off for the Company. The Company’s plan is to continue to invest in new trucks and sales resources to further drive results in 2014. I would like to thank our franchisees and employees for their hard work and our shareholders for their continued support of our Company.”

**Community and Social Commitment**

Our locations under the **PROSHRED**<sup>®</sup> banner conducted 126 community shredding events in 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. **PROSHRED**<sup>®</sup> is also proud that 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).

On June 1, 2014, **PROSHRED**<sup>®</sup> will be holding a Shred for Cancer event at most of its locations, raising money for the American Institute for Cancer Research (“AICR”). It is our goal as a Company to support the AICR in their endeavor to conduct research to prevent and possibly cure this disease.

## Financial Statements

Redishred's December 31, 2013 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 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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