

PRESS RELEASE
REDISHRED CAPITAL CORP.
Mississauga, Ontario
August 28, 2014

REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES Q2-2014 RESULTS, HIGHLIGHTING TOTAL *PROSHRED*[®] SYSTEM SALE’S GROWTH OF 19% AND EBITDA GROWTH OF 94% FOR THE CORPORATELY OWNED STORES COMPARED TO Q2-2013.

Second Quarter Highlights:

- Total system sales ⁽¹⁾ in the *PROSHRED*[®] system were \$5.3 million *USD* in the second quarter of 2014, growing 19% over the comparative period in 2013.
 - Scheduled (recurring) system sales for the second quarter reached a record of \$2.5 million *USD*, growing 16% over the second quarter of 2013;
 - Unscheduled system sales for the second quarter reached a record of \$1.8 million *USD*, growing 29% over the second quarter in 2013 and;
 - Recycling system sales for the second quarter were \$940,000 *USD*, growing 13% over the second quarter of 2013.
 - The *PROSHRED*[®] system shred and recycled 8,000 tons of paper during the second quarter of 2014, an increase of 14% over the second quarter of 2013.

- Redishred’s six directly operated corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami produced \$1.26 million *CDN* in revenues during the three months ended June 30, 2014, generating \$567,000 *CDN* in earnings before interest, taxes, depreciation and amortization (“EBITDA”), an increase of 94% in EBITDA versus Q2-2013.

- Redishred’s same store corporate stores, namely Syracuse, Albany, Milwaukee, and New York City, grew EBITDA 29% quarter over quarter. During the six months ended June 30, 2014, the same store corporate stores sales grew by 11% and EBITDA increased by 49%.

(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:

(in CDN except where noted)	3 months ended June 30			6 months ended June 30		
	2014	2013	%	2014	2013	%
	\$	\$	Change	\$	\$	Change
Corporate location data⁽¹⁾:						
Corporate location revenue	1,263,114	789,584	60%	2,420,848	1,464,200	65%
Corporate location operating costs	(695,883)	(496,776)	40%	(1,336,477)	(986,218)	36%
Corporate location EBITDA	567,231	292,808	94%	1,084,371	477,982	127%
Depreciation – tangible assets	(72,844)	(50,468)	(44)%	(167,590)	(104,686)	(60)%
Interest expense	(186,638)	(160,491)	(16)%	(388,730)	(313,904)	(24)%
Operating income from corporate locations	307,749	81,849	276%	528,051	59,392	789%
Franchise data:						
Franchise and license fees	1,038	1,394	(26)%	70,827	2,559	2668%
Royalties and service fees	285,192	258,469	10%	543,249	490,818	11%
Franchise related revenue	286,230	259,863	10%	614,076	493,377	24%
On-going operating costs	(379,201)	(394,903)	4%	(752,815)	(774,673)	3%
Broker fees	177	-	100%	(34,533)	-	(100)%
Interest expense	(8,223)	(8,220)	0%	(16,445)	(16,440)	0%
Total operating costs	(387,247)	(403,123)	4%	(803,793)	(791,113)	(2)%
Operating income (loss)	206,732	(61,411)	437%	338,334	(238,344)	242%
Net (loss) income	(70,084)	(68,280)	(3)%	70,569	(288,698)	124%
System sales	5,262,823	4,406,210	19%	9,853,986	8,429,727	17%

(1) The Miami operations are excluded in the three and six months ended June 30, 2013 results, as the Miami business was jointly operated by Redishred and one of the Company's franchise locations. The Company commenced operations of the Miami location directly on January 1, 2014.

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 seven franchised locations have deployed high-speed on-site hard drive destruction trucks. These factors led to 31% growth in scheduled and unscheduled sales in the second quarter of 2014 over the same quarter in 2013.

Recycling system sales increased by 22% during the three months ended June 30, 2014 in comparison to the same period in 2013. During the three months ended June 30, 2014, the **PROSHRED®** system shred and recycled 8,000 tons of paper, which equates to 120,000 trees saved.

Corporate Operations

During the three months ended June 30, 2014, Redishred directly operated six shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI, New York City, NY, Charlotte, NC and Miami, FL.

On July 31, 2013, the Company acquired the Charlotte franchise and on January 1, 2014 the Company began directly operating the Miami, FL location. During the three months ended June 30, 2014, the corporate location revenue grew by 60% over the same comparative prior year period. The Company also increased EBITDA by 94% over the three months ended June 30, 2013.

Same store corporate store results are indicators of performance of corporate stores that have been in the system for equivalent periods in 2014 and 2013. Same store corporate results include the operations of Syracuse, Albany, Milwaukee and New York City. During the three months ended June 30, 2014, the same store corporate location revenue grew by 8% and operating costs were reduced by 4%. This led to an increase in EBITDA of 29%.

All Corporate Locations Results:

For the 3 months ended June 30,	<i>All corporate locations</i>				<i>Same store corporate locations</i>			
	2014	% of revenue	2013	% of revenue	2014	% of revenue	2013	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	1,035,174	82%	644,078	82%	716,819	84%	644,078	82%
Recycling	227,940	18%	145,506	18%	138,611	16%	145,506	18%
Total revenue	1,263,114	100%	789,584	100%	855,430	100%	789,584	100%
Operating costs	695,883	55%	496,776	63%	478,551	56%	496,776	63%
EBITDA	567,231	45%	292,808	37%	376,879	44%	292,808	37%

Corporate Locations Trend:

	2014		2013			2012	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Corporate location revenue (\$)	1,263,114	1,157,734	980,081	937,047	789,584	674,616	649,944
Quarter over quarter % change	9%	18%	5%	19%	17%	4%	
Corporate location EBITDA (\$)	567,231	517,140	359,974	360,669	292,808	185,174	140,119
Quarter over quarter % change	10%	42%	0%	23%	58%	32%	

Management's Comments on the Second Quarter of 2014

Jeffrey Hasham, the Company's CEO, had the following comments, "The first half of 2014 results continue to indicate that Proshred's on-site solution for destroying paper, hard drives and other materials is resonating with our clients. The on-site solution, in our view, is the most secure method to destroy confidential information. The performance of the system continues to be a result of our willingness to invest in human resources and modern equipment so we can continue to provide a best in class service. The Company's plan is to continue to invest in new trucks and sales resources to further drive results in 2014 and beyond. I would like to thank our franchisees, employees and vendor partners for their hard work and our shareholders for their continued support of our Company."

Community and Social Commitment

Our locations under the **PROSHRED**[®] banner conducted 119 community shredding events in the first half of 2014. 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**[®] 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.

On June 1, 2014, **PROSHRED**[®] will held its' first ever Shred for Cancer event at most of its locations, raising money for the American Institute for Cancer Research ("AICR"). It the Company's goal to support the AICR in their endeavour to conduct research to prevent and possibly cure this disease. Mr. Hasham commented that "it is amazing what Proshred, as a collective and collaborative system, can do. With all our efforts we raised significant funds and awareness to this cause and we will be looking to do it again next year." Please visit www.proshred.com/aicr for more information on this effort.

Financial Statements

Redishred's June 30, 2014 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

Redishred Capital Corp. (TSX.V – KUT)
Jeffrey Hasham, MBA, CPA, 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, CPA, CA
Chief Financial Officer
kasia.pawluk@redishred.com
www.redishred.com
Phone: (416) 204-0076 Fax: (905) 812-9448

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