

**PRESS RELEASE**  
**REDISHRED CAPITAL CORP.**  
Mississauga, Ontario  
August 27, 2015

## **REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES Q2-2015 RESULTS**

### **Second Quarter Highlights:**

- Total system sales <sup>(1)</sup> in the **PROSHRED**<sup>®</sup> system were \$6.4 million *USD* in the second quarter of 2015, growing 21% over the comparative period in 2014.
  - Scheduled (recurring) system sales for the second quarter reached a record of \$3.0 million *USD*, growing 20% over the second quarter of 2014;
  - Unscheduled system sales for the second quarter reached a record of \$2.2 million *USD*, growing 21% over the second quarter in 2014 and;
  - Recycling system sales for the second quarter were \$1.2M *USD*, growing 27% over the second quarter of 2014.
  - The **PROSHRED**<sup>®</sup> system shred and recycled a record of 9,700 tons of paper during the second quarter of 2015, an increase of 21% over the second quarter of 2014.
  
- Redishred’s six directly operated corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami produced \$1.44 million *CDN* in revenues during the three months ended June 30, 2015, generating \$678,000 *CDN* in earnings before interest, taxes, depreciation and amortization (“EBITDA”), an increase of 20% over the comparative period in 2014.
  
- Franchise and license revenue for the second quarter of 2015 was \$381,000 *CDN*, growing 33% over the second quarter of 2014. This category of revenue is generated by franchisees and licensees of the **PROSHRED**<sup>®</sup> system, originally denominated in US dollars.

(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		
	2015	2014	%	2015	2014	%
	\$	\$	Change	\$	\$	Change
<b>Corporate location financial results:</b>						
Corporate location revenue	<b>1,443,384</b>	1,263,114	14%	<b>2,817,445</b>	2,420,848	16%
Corporate location operating costs	<b>(764,529)</b>	(695,882)	(10)%	<b>(1,563,056)</b>	(1,336,478)	(17)%
<b>Corporate location EBITDA</b>	<b>678,855</b>	567,232	20%	<b>1,254,389</b>	1,084,370	16%
Depreciation – tangible assets	<b>(119,418)</b>	(72,844)	(64)%	<b>(240,196)</b>	(167,590)	(43)%
<b>Operating income from corporate locations</b>	<b>559,437</b>	494,388	13%	<b>1,014,193</b>	916,780	11%
<b>Franchise and license sales:</b>						
Franchise and license fees	<b>2,210</b>	1,038	113%	<b>29,108</b>	70,827	(59)%
Royalties and service fees	<b>378,989</b>	285,192	33%	<b>750,980</b>	543,249	38%
<b>Franchise related revenue</b>	<b>381,199</b>	286,230	33%	<b>780,088</b>	614,076	27%
<b>Operating income (loss)</b>	<b>486,889</b>	399,752	22%	<b>935,256</b>	739,824	26%
<b>Net income (loss)</b>	<b>35,710</b>	(70,084)	152%	<b>641,550</b>	70,569	809%
<b>Income (loss) per share</b>	<b>0.00</b>	(0.00)	152%	<b>0.02</b>	0.00	809%
<b>System sales (USD)</b>	<b>6,391,021</b>	5,262,823	21%	<b>12,140,267</b>	9,853,986	23%

**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 utilizing a secure on-site solution. Additionally, an increasing number of clients are requiring their facilities to recycle all paper documents, by using our services, 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 11 franchised locations have deployed high-speed on-site hard drive destruction trucks. These factors led to 20% growth in scheduled and unscheduled system sales in the second quarter of 2015 over the same quarter in 2014.

Recycling system sales increased by 27% during the three months ended June 30, 2015 in comparison to the same period in 2014. During the three months ended June 30, 2015, the **PROSHRED®** system shred and recycled 9,700 tons of paper, which equates to 146,000 trees saved.

### Corporate Operations

During the six months ended June 30, 2015, Redishred directly operated six shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI, New York City, NY, Charlotte, NC and Miami, FL.

During the three months ended June 30, 2015, the corporate location revenue grew by 14% over the same comparative prior year period. The Company has also increased EBITDA by 20% and operating income by 13% over the three months ended June 30, 2014.

#### All Corporate Locations Results:

	3 months ended June 30				6 months ended June 30			
	2015	% of revenue	2014	% of revenue	2015	% of revenue	2014	% of revenue
	\$		\$		\$		\$	
Revenue:								
Shredding service	<b>1,198,858</b>	83%	1,035,174	82%	<b>2,335,531</b>	83%	1,987,475	82%
Recycling	<b>244,526</b>	17%	227,940	18%	<b>481,914</b>	17%	433,373	18%
Total revenue	<b>1,443,384</b>	100%	<b>1,263,114</b>	100%	<b>2,817,445</b>	100%	<b>2,420,848</b>	100%
Operating costs	<b>764,529</b>	53%	695,882	55%	<b>1,563,056</b>	55%	1,336,478	55%
EBITDA	<b>678,855</b>	47%	567,232	45%	<b>1,254,389</b>	45%	1,084,370	45%
Depreciation - equipment	<b>119,418</b>	8%	72,844	6%	<b>240,196</b>	9%	167,590	7%
Operating income	<b>559,437</b>	39%	494,388	39%	<b>1,014,193</b>	36%	916,780	38%

#### Corporate Locations Trend:

	2015		2014				2013	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Corporate location revenue (\$)	1,443,384	1,374,062	1,257,312	1,247,349	1,263,114	1,157,734	973,436	937,033
Quarter over quarter % change	5%	9%	1%	(1)%	9%	19%	4%	
Corporate location EBITDA (\$)	678,855	575,535	533,728	527,868	567,232	517,141	352,585	360,514
Quarter over quarter % change	18%	8%	1%	(7)%	10%	47%	(2)%	

## Management's Comments on the Second Quarter of 2015

Jeffrey Hasham, the Company's CEO, had the following comments, "**PROSHRED**<sup>®</sup> continues to see record growth and system sales results, and this is a strong indication that our focus on on-site information destruction has hit home with our clients. It is our view that the on-site solution for destroying paper, hard drives and products is the most secure method of destruction. It is Proshred's mandate to continue to provide peace of mind that our client's information will be shred on-site, significantly reducing the risk of information breach. Furthermore, our system performance continues to be a result of our collective 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 2015 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**<sup>®</sup> banner conducted 123 community shredding events in the first half of 2015. 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 6, 2015, **PROSHRED**<sup>®</sup> held its' 2<sup>nd</sup> annual Shred 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. Mr. Hasham commented that "all of us at **PROSHRED**<sup>®</sup> are committed to working with AICR on their goal to reduce the instances of cancer by preventing it. The research they do is crucial in the battle against this disease. I want to thank every **PROSHRED**<sup>®</sup> owner and all our collective employees for the time and effort put forth to these events." Please visit [www.proshred.com/aicr](http://www.proshred.com/aicr) for more information on this effort.

## Financial Statements

Redishred's June 30, 2015 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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