

**PRESS RELEASE**  
**REDISHRED CAPITAL CORP.**  
Mississauga, Ontario  
May 28, 2015

## **REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES Q1-2015 RESULTS**

### **First Quarter Highlights:**

- Total system sales <sup>(1)</sup> in the **PROSHRED**<sup>®</sup> system were \$5.7 million *USD* in the first quarter of 2015, growing 25% over the comparative period in 2014.
  - Scheduled (recurring) system sales for the first quarter reached a record of \$2.76 million *USD*, growing 19% over the first quarter of 2014;
  - Unscheduled system sales for the first quarter reached a record of \$1.9 million *USD*, growing 28% over the first quarter in 2014 and;
  - Recycling system sales for the first quarter were \$1 million *USD*, growing 37% over the first quarter of 2014.
  - The **PROSHRED**<sup>®</sup> system shred and recycled 8,400 tons of paper during the first quarter of 2015, an increase of 24% over the first quarter of 2014.
  
- Redishred’s six directly operated corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami produced \$1.37 million *CDN* in revenues during the three months ended March 31, 2015, generating \$575,000 *CDN* in earnings before interest, taxes, depreciation and amortization (“EBITDA”), an increase of 11% over the comparative period in 2014.
  
- Franchise and license revenue for the first quarter of 2015 was \$400,000 *CDN*, growing 22% over the first 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:**

For the 3 months ended,	2015	2014	Percentage change
	\$	\$	%
<b>Corporate location financial results:</b>			
Corporate location revenue	1,374,062	1,157,734	19%
Corporate location operating costs	(798,527)	(640,594)	25%
<b>Corporate location EBITDA</b>	<b>575,535</b>	517,140	11%
Depreciation – tangible assets	(120,778)	(94,746)	27%
<b>Operating income from corporate locations</b>	<b>454,757</b>	422,394	8%
<b>Franchise and license sales:</b>			
Franchise and license fees	26,896	69,788	(61)%
Royalties and service fees	371,992	258,058	44%
<b>Franchise related revenue</b>	<b>398,888</b>	327,846	22%
<b>Operating income</b>	<b>448,366</b>	340,074	32%
<b>Net income</b>	<b>605,838</b>	140,653	331%
<b>Income per share</b>	<b>0.02</b>	0.00	331%
<b>System sales (USD)</b>	<b>5,749,246</b>	4,591,163	25%

**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 their 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 eight franchised locations have deployed high-speed on-site hard drive destruction trucks.

These factors led to 23% growth in service sales in the first quarter of 2015 over the same quarter in 2014.

Recycling system sales increased by 37% for the three months ended March 31, 2015 in comparison to the same period in 2014 and the **PROSHRED®** system shred and recycled 8,400 tons of paper, which equates to 126,000 trees saved.

### Corporate Operations

During the three months ended March 31, 2015, Redishred directly operated six shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI, New York City, NY, Charlotte, NC and Miami, FL.

The Company operates six shredding locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami. These locations represent the Company's corporately owned locations. During the quarter ended March 31, 2015, the corporate location revenues grew by 19% over the same comparative prior year period. The Company has also increased EBITDA by 11% over the three months ended March 31, 2014.

### Corporate Locations Results:

	<i>3 months ended March 31</i>			
	<b>2015</b>	% of revenue	<b>2014</b>	% of revenue
	<u>\$</u>		<u>\$</u>	
Revenue:				
Shredding service	<b>1,136,674</b>	83%	952,301	82%
Recycling	<b>237,388</b>	17%	205,433	18%
Total revenue	<u><b>1,374,062</b></u>	100%	<u>1,157,734</u>	100%
 Operating costs	 <u><b>798,527</b></u>	 58%	 <u>640,594</u>	 55%
 EBITDA	 <u><b>575,535</b></u>	 42%	 <u>517,140</u>	 45%

### Corporate Locations Trend:

	<u>2015</u>		<u>2014</u>			<u>2013</u>		
	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>
Corporate location revenue (\$)	1,374,062	1,257,312	1,247,349	1,263,114	1,157,734	973,436	937,033	789,584
<i>Quarter over quarter % change</i>	9%	1%	(1)%	9%	19%	4%	19%	16%
 Corporate location EBITDA (\$)	 575,535	 533,728	 527,868	 567,231	 517,141	 352,585	 360,514	 292,808
<i>Quarter over quarter % change</i>	8%	1%	(7)%	10%	47%	(2)%	23%	57%

### **Management's Comments on the First Quarter of 2015**

Jeffrey Hasham, the Company's CEO, had the following comments, "The first quarter's results continue to reflect the positive trends from 2014. In particular, our clients continue to look to Proshred to provide an on-site solution for destroying paper, hard drives and other materials, which provide our clients with the comfort that their documents and materials leave their premises in a shred format, strongly reducing the risk of an information breach. The on-site solution, coupled with our ISO Certification continues to resonate with our clients." Mr. Hasham also noted that, "The performance of the system continues to be a result of our system's 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. 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 8 community shredding events in the first quarter 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> will be holding its' 2<sup>nd</sup> annual 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. Please visit [www.proshred.com/aicr](http://www.proshred.com/aicr) for more information on this effort.

## Financial Statements

Redishred's March 31, 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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