

**PRESS RELEASE**  
**REDISHRED CAPITAL CORP.**  
 Mississauga, Ontario  
 August 26, 2008

**REDISHRED CAPITAL CORP. ANNOUNCES 2008 SECOND QUARTER RESULTS**

- Redishred Capital Corp.'s ("Redishred") royalty and fee revenue for the second quarter was \$211,832 CDN for the period of April 1, 2008 to June 30, 2008. Royalty and fee revenues are generated by franchises of the **PROSHRED®** franchise system and are originally denominated in US Dollars.
- Same location sales in our **PROSHRED®** franchise system for the period of April 1, 2008 to June 30, 2008 were \$2,235,432, an increase of 81.2% from the same period in 2007.
- Same locations sales in our **PROSHRED®** franchise system for the period of Jan 1, 2008 to June 30, 2008 were \$3,661,652, an increase of 93.6% from the same period in 2007
- The Arlington, VA franchise location commenced operations in the second quarter

**Financial Highlights:**

<b>For the three months ended,</b>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Operating Loss (Before depreciation, amortization and interest)	\$ 188,169	\$ 11,795
Net Loss	\$ 372,857	\$ 11,795
Loss per Share	\$ .02	\$ .01
Weighted Average Number of Common Shares	22,884,614	879,122
<b>For the six months ended,</b>	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Operating Loss (Before depreciation, amortization and interest)	\$ 251,778	\$ 13,537
Net Loss	\$ 380,625	\$ 13,537
Loss per Share	\$ .03	\$ .07
Weighted Average Number of Common Shares	13,741,833	191,781

## **Acquisition Targets Adjusted**

As a result of delayed regulatory approval of the qualifying transaction and due to global capital market volatility, management has adjusted its acquisition targets for fiscal year 2008. Based on acquisition activity to date, management is revising its acquisition target to \$20M for 2008. For the 12 month period following the closing of the qualifying transaction, management anticipates completing \$42M in acquisitions as per the original business plan. The company believes it will meet its targets for franchise development.

## **Management's Comments on the Industry**

The demand for the outsourcing of shredding and recycling services, as offered by the company, continues to increase in double digits. With industry insiders reporting that only 37% of USA companies having outsourced these services, future prospects for industry growth remains strong. With tighter regulatory requirements, an increasing number of convictions and fines and a growing awareness of the need to both shred and recycle, the company is optimistic about its short, intermediate and long term development plans.

The company is well positioned to capitalize on this growth opportunity as **PROSHRED®** pioneered the mobile document destruction industry in Canada two decades ago, has achieved a solid foothold in the US market and is recognized as an North American industry leader as a member of the National Association of Information Destruction and having achieved the ISO 9001:2000 certification.

## **Management's Comments on the Quarter**

During the second quarter of 2008, the company's new management team began executing on its strategic business plan which has been designed to deliver intermediate and long term growth in both sales and earnings, through acquisitions, joint ventures as well as its traditional franchising platform. Notwithstanding the fact that management was focused on completing a number of structural modifications to support future growth, the company's franchise network and sales continued to grow.

John Prittie, President and CEO of Redishred Capital Corp. and **PROSHRED®** was very pleased to announce the opening of its latest franchise location in Northern Virginia during Q2 and notes "this location is very strategic in that it helps solidify our position in the north east USA". Mr. Prittie also noted that "there is a very high level of interest in **PROSHRED®**'s franchise program due to the growth in the industry and the number of new franchise candidates looking for 'business-to-business' franchise opportunities". The company is currently evaluating a number of franchise applications and continues to be active in the International Franchise Association. Concurrent to our franchising activities the company is currently identifying and evaluating a number of acquisition targets with the aim to open 40 corporate locations across the United States over the next 5 years.

As previously noted above, "there is a real opportunity to grow our business organically and it is very exciting to see that our same store system sales grew at an outstanding 81% in the 2<sup>nd</sup> quarter of fiscal year 2008 when compared to the same period in 2007", noted Mr. Prittie. "The Q2 result exceeded our expectation, and clearly demonstrates that there is an increasing awareness and need to destroy confidential information and recycle shredded material, as promoted by **PROSHRED®**'s direct selling and marketing programs."

Mr. Prittie also stated, "I would like to personally thank all **PROSHRED®** franchisees and National Support Centre staff for their hard work in attaining this tremendous result. I am looking forward to continued growth in our sales and market share through franchising, joint ventures and acquisitions in the last half of fiscal year 2008".

## Financial Statements

**Redishred's June 30, 2008 Financial Statements and Notes and Management's Discussion and Analysis can be found at [www.sedar.com](http://www.sedar.com).**

## Services

Redishred Capital Corp. is the owner of the **PROSHRED®** trademarks and intellectual property. **PROSHRED®** shreds and recycles confidential documents and proprietary materials for tens-of-thousands of customers in the United States in all industry sectors. **PROSHRED®** pioneered the mobile document destruction and recycling industry in Canada in 1986 and is the only company with both ISO 9001:2000 and NAID certifications. The company utilizes state-of-the-art equipment and operates its business with trained, certified and bonded customer service professionals. It is **PROSHRED®**'s vision is to be the 'system of choice' and provide shredding and recycling services on a global basis.

## FOR FURTHER INFORMATION PLEASE CONTACT:

Redishred Capital Corp. (TSX.V – KUT)

Jeffrey Hasham, CA

Chief Financial Officer

[Jeffrey.hasham@redishred.com](mailto:Jeffrey.hasham@redishred.com)

[www.redishred.com](http://www.redishred.com)

Phone: (416) 849-3469 Fax: (905) 812-9448

*Note: The TSX Venture Exchange has neither approved nor disapproved of the information contained herein. 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 2008 management information circular and the filing statement dated February 29, 2008 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) anticipated acquisition activity, which may be impacted by global capital and credit market volatility as well as the company's limited cash resources with which to identify and evaluate the acquisitions. This may negatively impact the number of locations opened which would have negative impacts to Redishred's income and cash flows
- (ii) franchise development targets may not be met due to the poor economic situation in the United States
- (iii) anticipated industry growth may slow, which may cause Redishred's system sales and royalty revenue to see slowed growth

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.