

**Reconditioned Systems, Inc.**  
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**News Release**

**Contact: Investor Relations**

**“RSI reports fourth quarter 2014 results”  
Tempe, Arizona, May 9, 2014**

Dear Fellow Shareholders:

I am happy to report that Reconditioned Systems, Inc. (“RSI”) was profitable this quarter and for the fiscal year. During the year we executed our plan to return to a wholesale manufacturer and to own our building, thereby stabilizing our costs. I look forward to this next fiscal year with an expectation of increased sales and profits.

For the three months ended March 31 2014, RSI had a pretax gain of \$143.9 thousand on sales of \$2.53 million. This compares to a pretax gain of \$65.2 thousand on sales of \$2.55 million for the quarter ending March 31, 2013.

Although sales have still not increased, Kerrie Janik has made a great effort in upgrading our marketing and sales material and we are finally seeing some positive results. I am hopeful that the new outside marketing representatives will begin to show significant sales in markets that we have not been in before. Meanwhile, our efforts to improve our margins by the new building have obviously been successful.

Our GSA business has started to come back and I remain optimistic about our efforts there. Dave Ryan has been increasing our exposure and I am confident we will begin to see increased sales as a result of his efforts. We have developed a video of our manufacturing process which is impressive and should help our overall marketing effort.

The economy continues to recover both here and in Europe, albeit at the continued slow rate of about 2-3%, which has been difficult for our business as employment gains have been slow. Barring any adverse actions, I would expect this next year should be a good one for your company.

We have paid annual cash dividends for the last nine years. Our stated goal has been to pay out to shareholders 50% of the company’s net profits each year. For the last two years we have paid lower dividends due to the increased expenses related to the new building. Now that we have long term financing in place, we will return to our goal. As such, we are setting the annual dividend for this year at \$.15 per share; the dividend will be payable August 27, 2014, to shareholders of record on July 11. As in the past, any future dividends will depend on our performance and financial position.

/S/ Scott W. Ryan

Scott W. Ryan  
Chairman of the Board

<b>Summary Statement of Operations</b>				
	<b>For The Three Months Ended</b>		<b>For the Year Ended</b>	
	<b>March 31, 2014 (Unaudited)</b>	<b>March 31, 2013 (Unaudited)</b>	<b>March 31, 2014 (Unaudited)</b>	<b>March 31, 2013 (Unaudited)</b>
Sales	\$2,531,468	\$2,552,275	\$10,146,380	\$10,830,144
Gross Profit	\$501,840	\$503,989	\$1,807,601	\$1,965,320
Selling and administrative expenses	\$(325,676)	\$(400,600)	\$(1,357,633)	\$(1,545,585)
Income from operations	\$176,164	\$103,389	\$449,968	\$419,735
Non-operating building and moving expenses	\$(5,855)	\$(46,885)	\$(199,252)	\$(118,038)
Other income (expense)	\$(26,354)	\$8,741	\$175,849	\$(23,584)
Net income before provision for income taxes and loss on investment	\$143,955	\$65,245	\$426,565	\$278,113
Net income *	\$87,409	\$54,178	\$258,981	\$186,085
Basic earnings per share *	\$0.09	\$0.05	\$0.26	\$0.19
Basic weighted average number of common shares outstanding	985,815	994,081	987,311	995,209
Diluted earnings per common and equivalent share *	\$0.09	\$0.05	\$0.26	\$0.19
Diluted weighted average number of common and equivalent shares outstanding	985,815	994,081	987,311	995,887

<b>Summary Balance Sheet as of March 31,</b>					
	<b>2014</b>			<b>2013</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Assets			Liabilities and Equity		
Cash & short term investments	\$621,291	\$828,422	Accounts payable	\$535,282	\$536,095
Accounts receivable	1,355,392	1,066,097	Customer deposits	162,524	102,079
Inventory	1,804,040	1,899,273	Accrued compensation and benefits	316,175	369,740
Property & equipment	4,927,742	4,816,980	Current note payable and other current liabilities *	619,525	600,364
Long term notes receivable	63,276	136,839	Long term liabilities *	2,787,642	3,003,556
Other assets	200,055	274,059	Stockholders' equity *	4,550,648	4,409,836
Total	\$8,971,796	\$9,021,670	Total	\$8,971,796	\$9,021,670

\* 2014 Income taxes have been estimated at approx. 39% of pretax income, respectively and may be revised upon completion of the company's tax returns.

**Note:** The Company's press releases are available on our website [RSIsystemsurniture.com](http://RSIsystemsurniture.com) under About Us / Investor Relations. Any shareholder who would like to sell shares back to the Company should contact the Investor Relations Department at 800-280-5000.