

Reconditioned Systems, Inc.
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News Release

Contact: Investor Relations

“RSI reports First Quarter 2016 results”

August 28, 2015

Dear Fellow Shareholders:

I am happy to report that Reconditioned Systems, Inc. (“RSI”) started this fiscal year with a profit. Last year was the best in terms of sales and profits for many years and we are starting this year off very strong. Sales are continuing to increase and that has helped margins as our fixed costs remain in check. I hope we can continue this performance for the rest of this fiscal year.

For the three months ending June 30, 2015, RSI made \$195.6 thousand on sales of \$3.39 million. This compares to a profit of \$57.4 thousand on sales of \$2.77 million for the quarter ending June 30, 2014. This quarter’s operating performance is the best in several years.

The economy continues to grow at an anemic pace, while interest rates, energy costs and general inflation continue to stay surprisingly low. Even if the Federal Reserve raises rates this Fall, I expect business conditions to remain favorable. I hope that we can continue to take advantage of these conditions.

Global debt remains at all-time highs relative to GNP in every developed country, including the United States. It remains the biggest problem without a viable solution and is my biggest concern. Since we have once again pushed the Greece problem into the future without a solution, Puerto Rico may be the first situation we are forced to deal with.

Your company has paid annual dividends for the last ten years. This year the board voted to pay an annual dividend of \$0.20 payable on August 27, 2015, to shareholders of record July 9, 2015. 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

	For The Three Months Ended	
	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
Sales	\$3,390,431	\$2,767,466
Gross profit	\$757,204	\$491,918
Selling and administrative expenses	\$(394,318)	\$(359,051)
Other	\$(33,793)	\$(38,282)
Net income (loss) before provision for income taxes	\$329,093	\$94,585
Net income (loss)	\$195,621	\$57,434
Basic earnings (loss) per share	\$0.20	\$0.06
Basic weighted average number of common shares outstanding	965,378	981,857
Diluted earnings (loss) per common and equivalent share	\$0.20	\$0.06
Diluted weighted average number of common and equivalent shares outstanding	965,378	981,857

Summary Balance Sheet as of					
	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)		June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
Assets			Liabilities and Equity		
Cash & cash equivalents	\$1,155,309	\$754,764	Accounts payable	\$828,350	\$778,324
Accounts receivable	1,231,873	1,183,141	Customer deposits	429,278	90,043
Note receivable – current	-	11,206	Dividend payable	192,212	149,800
Inventory	2,294,366	1,972,619	Accrued compensation & benefits	347,809	297,188
Property & equipment	4,749,739	4,881,037	Current note payable and other current liabilities	315,441	521,166
Note receivable – long term	-	59,055	Other liabilities	2,519,779	2,781,721
Other assets	96,877	203,409	Stockholders' equity	4,895,295	4,446,989
Total	\$9,528,164	\$9,065,231	Total	\$9,528,164	\$9,065,231

* 2016 Income taxes have been accrued at the maximum corporate rate of 39% of pretax income, and may be revised upon completion of the company's tax returns. The net income could change materially as a result.

Note: The Company's quarterly press releases are available on our website 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.

