

Reconditioned Systems, Inc.
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News Release

Contact: Investor

“RSI reports third quarter 2015 results”
Chandler, Arizona, February 13, 2015

Dear Fellow Shareholders:

I am happy to report that Reconditioned Systems, Inc. (“RSI”) was profitable this quarter and recorded the best operating performance in several years.

For the three months ended December 31 2014, RSI made \$157 thousand on sales of \$3.36 million. This compares to a profit of \$79 thousand on sales of \$2.53 million for the quarter ending December 31, 2013. Sales were obviously better than last year, and matched last quarter’s impressive \$3.35 Million. However, we only made \$97 thousand last quarter, which highlights how good this quarter really was.

I am happy to report that our controller, Vikki Hawn, has taken over the financial accounting responsibilities of Kerrie Janik and has been doing an outstanding job. She has worked very hard to get up to speed and has been able to actually finish our reports faster than before.

Our outside marketing effort continues and we see improvement in that area. I am hopeful that we can continue that strategy of increasing sales in territories where we currently do not have coverage. Meanwhile, our dealer sales are showing nice growth.

The United States economy continues its slow growth and the business environment remains good. The Federal Reserve has vowed to keep interests rates low and inflation remains benign. The dramatic drop in oil prices acts as a tax cut for the American consumer and business. Hopefully we will take advantage of the good business conditions. However, Europe, Japan and the rest of the world are having a difficult time and their economies are in danger of falling into recession. The EU is struggling and more problems are likely to occur there with their version of Quantitative Easing and the situation with Greece.

I am hopeful that our final quarter ending March 31 will also be a good one. This could be our best year in some time. I look forward to reporting to you in May.

/S/ Scott W. Ryan
Chairman of the Board

Summary Statement of Operations				
	For The Three Months Ended		For the Nine Months Ended	
	December 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)	December 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)
Sales	\$3,357,008	\$2,528,541	\$9,473,671	\$7,614,912
Gross profit	\$704,097	\$508,449	\$1,800,517	\$1,305,761
Selling and administrative expenses	\$(384,964)	\$(327,540)	\$(1,143,686)	\$(1,301,957)
Income from operations	\$319,133	\$180,909	\$656,831	\$273,804
Non-operating building and moving expenses	\$-	\$0	\$-	\$(193,397)
Other income (expenses)	\$(35,111)	\$(50,616)	\$(119,191)	\$202,203
Net income before provision for income taxes	\$284,022	\$130,293	\$537,640	\$282,610
Net income	\$156,833	\$79,088	\$310,831	\$171,572
Basic earnings per share	\$0.16	\$0.08	\$0.32	\$0.17
Basic weighted average number of common shares outstanding	977,166	986,218	979,324	987,810
Diluted earnings per common and equivalent share	\$0.16	\$0.08	\$0.32	\$0.17
Diluted weighted average number of common and equivalent shares outstanding	977,166	986,298	979,324	987,810

Summary Balance Sheet as of					
	December 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)		December 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)
Assets			Liabilities and Equity		
Cash & cash equivalents	\$932,674	\$852,360	Accounts payable & short term notes payable	\$430,324	\$534,134
Accounts receivable	1,237,606	930,456	Customer deposits	60,123	133,087
Inventory	1,671,930	1,877,911	Accrued compensation & benefits	389,135	364,321
Property & equipment	4,797,579	4,969,378	Short term notes payable	487,562	566,061
Long term notes receivable	47,945	116,364	Other liabilities *	2,824,218	2,845,910

Other assets	196,904	164,882	Stockholders' equity *	4,693,276	4,467,838
Total	\$8,884,638	\$8,911,351	Total	\$8,884,638	\$8,911,351

* 2015 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 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.