

FOR IMMEDIATE RELEASE

RICHARDS PACKAGING INCOME FUND

Richards Packaging Income Fund announces 2017 Performance and Normal Course Issuer Bid

March 1, 2018, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter and year ended December 31, 2017 and a continuation of the normal course issuer bid.

Fourth quarter results reflected growth of \$1.7 million, or 2.4%, with organic growth of \$2.5 million, or 3.5%, slightly ahead of GDP growth offset by a -\$0.8 million impact due to the dollar appreciating 4¢ to U.S./Cdn. \$0.79. EBITDA¹ was up \$1.0 million on higher revenues at 14.3% of sales and a \$0.3 million foreign currency gain due to a higher U.S. denominated net liability position. Net income was up \$2.6 million as the higher EBITDA, the cessation of amortization of patent costs and the absence of the contingent consideration for the Healthmark acquisition of \$2.9 million were offset by a \$1.1 million loss on mark-to-market of exchangeable shares and the absence of \$0.8 million in exceptional gains.

Overall the 2017 performance exceeded our expectations with revenue growth of 3.4%. Organic growth added 3.5% but was impacted with the dollar appreciation of 2¢ to U.S./Cdn. \$0.77 reducing revenue by 0.1%. EBITDA as a percentage of sales rose 0.5% to 13.7%, or by \$2.8 million on an improving mix of business. Net income was \$16.6 million, or \$1.53 per Unit, up \$8.7 million from 2016 which mainly reflects the absence of contingent consideration for the Healthmark acquisition as the EBITDA increase was offset by higher income taxes and the loss on mark-to market of exchangeable shares.

The \$8.8 million in free cash flow² for the year and the \$2.1 million working capital reduction were utilized to pay down \$8.5 million in debt, pay for expansion capital of \$0.5 million and to build cash to settle income taxes for 2017. The \$6.8 million of cash on hand will be used to pay \$3.0 million in taxes and bonuses of \$1.7 million leaving \$2.1 million for working capital needs.

"We could not live in more uncertain times, largely due to government intervention at all levels and the late stage of the economic cycle. The possible failure of NAFTA negotiations, diverging Canadian Federal and US taxation policy initiatives, Bank of Canada and US Federal Reserve inconsistent monetary policy moves and dramatic minimum wage hikes by State and Provincial governments are all creating major turmoil. It is not prudent to increase monthly distributions until the outlook is clearer and so future cash flow will be used to further reduce debt levels or opportunistically deployed in acquisitions and/or Unit buy backs" commented Gerry Glynn, Chief Executive Officer.

The Fund also announces that it intends to continue the normal course issuer bid to acquire up to 500,000 of its outstanding trust units representing approximately 5% of its issued and outstanding units. Under the previous normal course issuer bid ending March 14, 2018, 200,000 units were approved for purchase, but the Fund had not purchased units. As at March 1, 2018, the Fund had 10,893,365 units issued and outstanding. All purchases will be made through the facilities of and in accordance with the rules of the Toronto Stock Exchange and all units purchased will be cancelled. Except where reliance is had on the Exchange's block purchase exemption, the maximum number of units purchasable under the bid on any trading day will be limited to 1,513 units based on an average daily trading volume of 6,053. The normal course issuer bid will commence on March 14, 2018 and end no later than March 13, 2019. The Trustees of the Fund believe that such purchases are an appropriate and desirable use of available funds.

Details of the Fund's results are currently available on Richards Packaging's website at www.richardspackaging.com and on SEDAR at www.sedar.com.

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About Richards Packaging Income Fund

The Fund owns Richards Packaging Inc. (“Richards Packaging”), the leading packaging distributor in Canada, and third largest in North America. Richards Packaging is a full-service packaging distributor targeting small- and medium-sized North American businesses. Richards Packaging has operated since 1912 and currently serves over 14,000 regional food, wine and spirits, cosmetic, specialty chemical, pharmaceutical and other companies from 18 locations throughout North America.

- 1 Management defines EBITDA as earnings before amortization, exceptional gains, contingent consideration revaluation, financial expenses, unrealized losses and dividends on exchangeable shares, share of income - Vision and taxes. EBITDA is the same as profit from operations as outlined in the annual financial statements after adding back amortization, exceptional gains and contingent consideration. Management believes that in addition to net income, EBITDA is a useful supplemental measure for investors of earnings available for distribution prior to debt service, capital expenditures and taxes. Management uses this measure as a starting point in the determination of earnings available for distribution to Unitholders and exchangeable shareholders. In addition, EBITDA is intended to provide additional information on the operating performance. This earnings measure should not be construed as an alternative to net income or as an alternative to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. EBITDA does not have a standardized meaning prescribed by IFRS and therefore the method of calculating EBITDA may not be comparable to similar measures presented by other companies.*
- 2 Management defines distributable cash flow, in accordance with Richards Packaging’s credit agreement, as EBITDA less interest, cash income tax expense and maintenance capital expenditures. Free cash flow is distributable cash flow less distributions. The objective of presenting these measures is to calculate the amount which is available for distribution to Unitholders or exchangeable shareholders and to determine the amount available to fund increases in working capital or expansion capital. Investors are cautioned that distributable cash flow should not be construed as an alternative to cash flow from operating, investing and financing activities as a measure of liquidity and cash flows. Distributable cash flow does not have a standardized meaning prescribed by IFRS therefore the method of calculating distributable cash flow may not be comparable to similar measures presented by other companies.*
- 3 Management defines payout ratio as distributions and dividends declared over distributable cash flow². The objective of presenting this measure is to calculate the percentage of actual distributions in comparison to the amount available for distribution. Payout ratio does not have a standardized meaning prescribed by IFRS. The method of calculating the payout ratio may not be comparable to similar measures presented by other companies.*
- 4 This release contains certain forward looking information and statements within the meaning of applicable securities laws (collectively “Statements”) regarding future growth potential, results of operations, performance and business prospects and opportunities of the Fund. The Statements are frequently identified by the use of such words as “will”, “may”, “could”, “expect”, “plan”, “anticipate”, “believe” and other similar terminology. These Statements reflect management’s current beliefs and are based on information currently available to the management of Richards Packaging. A number of factors could cause actual events or results to differ materially from those predicted, expressed or implied in the Statements. Factors that could cause such differences include, among other things, changes in customer and supplier relationships, competition in the industry, inventory obsolescence, trade risks in respect to foreign suppliers and fluctuations in foreign exchange and interest rates. Although the Statements contained in this release are based upon what management believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these Statements. These Statements are made as of the date of this release and the Fund assumes no obligation to update or revise them to reflect new events or circumstances.*