

FOR IMMEDIATE RELEASE

RICHARDS PACKAGING INCOME FUND

Richards Packaging Income Fund announces 2018 First Quarter Results

May 4, 2018, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter ended March 31, 2018.

We continued to strengthen our mix of business to keep EBITDA¹ above 14%, paid down debt and built up our cash reserves while navigating through the turmoil created by trade war rhetoric and inconsistent taxation and monetary policies in Canada and the US. First quarter performance exceeded our 2017 outlook as total revenue was up 2.3% on 3.8% organic revenue growth offset by the impact of a U.S./Cdn.3.5¢ strengthening of the dollar to 79¢. Gross profit and EBITDA as a percent of sales were 18.6% and 14.5% respectively, up slightly from the fourth quarter of 2017. EBITDA was up \$1.1 million, or 11.3%, mainly due to higher organic revenue growth at Richards US. Net income was up \$1.8 million, or 16.5¢ per Unit, mainly due to higher revenue and margins, lower amortization and a lower mark to market loss on exchangeable shares.

The \$3.5 million of free cash flow² generated in the first quarter and the \$6.8 million cash on hand was utilized to settle the \$3.0 million of 2017 taxes owing, repay \$1.0 million in debt and provide for funding of the pending systems upgrade. The Fund's leverage at 0.8x is consistent with the level at December 31, 2017.

When the US tax reform details are finalized we will address our intercompany financing.

The Fund paid monthly capital dividends of 11¢ per Unit, which represented an annualized yield of 4.1% on the March 31st closing price of \$31.89 per Unit. The payout ratio³ for the first quarter was 53% reflecting the higher EBITDA and \$0.4 million in lower taxes on our US operations.

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.