

FOR IMMEDIATE RELEASE

RICHARDS PACKAGING INCOME FUND

Richards Packaging Income Fund announces 2018 Second Quarter Results

July 31, 2018, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter ended June 30, 2018.

Second quarter performance exceeded our outlook as revenue increased \$2.6 mil., or 3.3%, due to 4.7% organic revenue growth offset by a U.S./Cdn. 3¢ strengthening of the dollar to 77¢. This increase reflects safety stock build up by US customers in anticipation of a trade war with China. Gross profit and EBITDA¹ as a percent of sales was similar to the first quarter at 18.4% and 14.6% respectively. EBITDA was up \$1.1 million, or 10.8%, due to higher sales offset by \$0.1 million in translation impact of Richards US. Net income decreased \$0.4 million, or 4¢ per Unit, with higher EBITDA offset by a \$1.5 million higher mark-to-market loss on the exchangeable shares due to the \$6 Unit price increase.

The \$3.9 million of free cash flow² generated in the second quarter in addition to \$4.4 million cash on hand at the end of the first quarter, was used to invest \$1.2 million in working capital and \$0.1 million in expansion capital, settle \$1.8 million of income tax payable from the first quarter and repay \$2.5 million of term debt. The Fund's leverage was reduced to 0.7x, from 0.8x at March 31, 2018.

The Fund paid monthly distributions of 11¢ per Unit during the second quarter, which represented an annualized yield of 3.5% on the June 30th closing price of \$37.79 per Unit. The payout ratio³ for the second quarter was 50% reflecting higher EBITDA and \$0.2 million in lower taxes due to US tax reforms.

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, 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 and contingent consideration revaluation. 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 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 extraordinary items, interest, current 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.