

**FOR IMMEDIATE RELEASE**

**RICHARDS PACKAGING INCOME FUND**

**Richards Packaging Income Fund announces Monthly Distribution Increase, 2016 Performance and Normal Course Issuer Bid**

March 2, 2017, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today a monthly distribution increase, results for the quarter and year ended December 31, 2016 and a continuation of the normal course issuer bid.

The trustees approved an 18% increase to the monthly distribution by 1.65¢ to 11¢ per Unit beginning with the distribution to unitholders of record at the close of business on March 31, 2017 payable on April 14, 2017.

Fourth quarter results reflected organic growth of \$2.1 million, or 3.1%, slightly ahead of GDP growth and the dollar flat at U.S./Cdn. \$0.75. EBITDA<sup>1</sup> was up \$0.8 million on higher revenues at 13% of sales. Net income was up \$0.2 million as the higher EBITDA and the \$0.8 million excess of insurance proceeds were mostly offset by an increase in the contingent consideration for the Healthmark acquisition of \$2.9 million and the \$1.4 million loss on mark-to-market of exchangeable shares.

Overall the 2016 performance exceeded our expectations with revenue growth of 15%. The Healthmark acquisition and organic growth added 12.5% while the dollar depreciation of 3¢ to U.S./Cdn. \$0.75 added an additional 2.5% to revenue. EBITDA as a percentage of sales rose 0.8% to 13%, or by \$7.9 million. Net income was \$7.9 million, or \$0.73 per Unit, down \$2.6 million from 2015 which mainly reflects higher EBITDA offset by contingent consideration for the Healthmark acquisition and the mark-to-market loss on exchangeable shares due to a \$5.61/Unit appreciation.

"What a difference a year makes...2015 was the sling shot effect of the foreign currency devaluation (U.S./Cdn. 12¢) while 2016 was all about the benefits of the Healthmark acquisition, in both cases leading to explosive value creation in excess of \$5 per Unit annually. The obvious question is what will 2017 bring with the significant changes in Washington... my guess is nothing so dramatic as organic growth falls in line with GDP. In order to best position ourselves for 2017 we brought working capital down \$6 million, paid debt down \$5 million and generated surplus cash of \$13 million to fund the final payment on the Healthmark acquisition. It is now prudent to increase monthly distributions to reflect our solid footing for 2017" commented Gerry Glynn, Chief Executive Officer.

The Fund also announces that it intends to continue the normal course issuer bid to acquire up to 200,000 of its outstanding trust units representing approximately 2% of its issued and outstanding units. Under the previous normal course issuer bid, ending March 13, 2017, the Fund had not purchased units. As at March 2, 2017, the Fund had 10,846,578 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 1,439 units based on an average daily trading volume of 5,758. The normal course issuer bid will commence on March 14, 2017 and end no later than March 13, 2018. 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](http://www.richardspackaging.com) and on SEDAR at [www.sedar.com](http://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 flow<sup>2</sup>. 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.*