

**FOR IMMEDIATE RELEASE**

**RICHARDS PACKAGING INCOME FUND**

**Richards Packaging Income Fund announces Monthly Distribution Increase, 2013 Performance and Normal Course Issuer Bid**

March 7, 2014, (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, 2013 and a continuation of the normal course issuer bid.

The trustees approved a 12% increase to the monthly distribution by 0.8¢ to 7.35¢ per Unit beginning with the distribution to unitholders of record at the close of business on March 31, 2014 payable on April 14, 2014.

Strong fourth quarter performance with total revenue growth of 6.5% ahead of growth levels for the packaging industry, with both organic revenue growth of 3.4% and the Canadian dollar weakening by U.S./Cdn. 5¢. EBITDA<sup>1</sup> increased \$0.3 million, or 5.7%, on higher revenues as gross profit and EBITDA as a percent of sales were flat at 15.1% and 10.3%, respectively. Net income was down \$0.7 million as the higher EBITDA and the \$0.4 million gain on a positive resolution of the Mexican duties dispute was fully offset by \$1.2 million mark-to-market loss on exchangeable shares as the price per Unit rose \$2 to \$10.52 and \$0.5 million of higher taxes.

The 2013 results showed significant improvement after a soft first quarter with organic growth in excess of 3% for the rest of the year resulting in overall growth of 2.2%. The foreign currency impact turned strongly positive during the second half with the translation of Richards Packaging US contributing an additional \$3.1 million due to the U.S./Cdn. 3¢ weakening. We experienced an across the board revenue improvement of 3.1% for our top 60 customers and 4.1% growth in our small customers. EBITDA<sup>1</sup> was up by \$0.2 million, or 1.0%, as higher sales and a slight degradation in margins allowed EBITDA as a percent of sales to remain at 11%. Net income was \$5.0 million, or \$0.46 per Unit, down \$1.1 million from the same period in 2012 which mainly reflects the mark-to-market loss on exchangeable shares. The payout ratio<sup>3</sup> for the fourth quarter was 77% and 72% for 2013. The \$3.5 million in free cash flow<sup>2</sup> for the year, combined with the \$4.6 million inventory reduction, was utilized to pay down \$6.0 million in debt, bringing our leverage ratio to 1.6, to pay for the completion of the patent defense case and to purchase \$0.4 million units under the normal course issuer bid.

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 12, 2014, the Fund had purchased 19,500 Units at an average weighted price of \$9.00. As at March 7, 2014, the Fund had 10,702,778 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 1,500 units based on an average daily trading volume of 6,300. The normal course issuer bid will commence on March 13, 2014 and end no later than March 12, 2015. 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 March 7<sup>th</sup> on SEDAR at [www.sedar.com](http://www.sedar.com).

FOR MORE INFORMATION CONTACT:

Gerry Glynn  
Chief Executive Officer  
Richards Packaging Inc.  
(905) 670-7760  
[gglynn@richardspackaging.com](mailto:gglynn@richardspackaging.com)

Enzio Di Gennaro  
Chief Financial Officer  
Richards Packaging Inc.  
(905) 670-7760  
[edigennaro@richardspackaging.com](mailto:edigennaro@richardspackaging.com)

**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 11,300 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, financial expenses, exceptional items (disputed duties and patent defense costs), 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 patent defense costs. The definition was changed in 2013 to exclude disputed duties and as a result, relevant comparative amounts have been recalculated to conform to the presentation. 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 extraordinary items, 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.*