

FOR IMMEDIATE RELEASE

RICHARDS PACKAGING INCOME FUND

Richards Packaging Income Fund announces 2014 Performance and Normal Course Issuer Bid

March 5, 2015, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter and year ended December 31, 2014 and a continuation of the normal course issuer bid.

Fourth quarter results reflect organic growth in our base line business of 3% and an EBITDA at 11% of sales. We increased revenue by \$3 million in the quarter by opportunistically investing in inventory to take advantage of temporary demands created by market disruptions on the west coast. The dollar depreciation of \$7.2¢ to U.S./Cdn. \$0.88 added an additional \$2.3 million of revenue and \$0.3 million of EBITDA. Net income was up \$1.7 million as the higher EBITDA and lower amortization was partially offset by the \$0.4 million gain on a positive resolution of the Mexican duties dispute in 2013 and \$0.8 million in higher taxes.

Although the seasonality of results in 2014 was unusual due to supply chain disruptions from west coast port authorities, the overall performance was in line with our expectations with revenue growth of 3% and EBITDA as a percentage of sales at 11%. The dollar depreciation of 6.5¢ to U.S./Cdn. \$0.91 added an additional 4% to revenue and \$1.2 million to EBITDA. Net income was \$8.0 million, or \$0.75 per Unit, up \$3.1 million from the same period in 2013 which mainly reflects the expiry of intangible amortization and the absence of patent defense legal costs in 2014. The \$4.2 million in free cash flow² for the year was utilized to pay down \$3.0 million in debt, bringing our leverage ratio to 1.3, to pay for expansion and working capital of \$1.1 million and to purchase \$0.1 million of 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, 2015, the Fund had purchased 6,900 units at an average weighted price of \$12.74. As at March 5, 2015, the Fund had 10,695,878 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 1,800 units based on an average daily trading volume of 7,187. The normal course issuer bid will commence on March 13, 2015 and end no later than March 12, 2016. 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 12,500 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 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.*