

## FOR IMMEDIATE RELEASE

### RICHARDS PACKAGING INCOME FUND

#### Richards Packaging Income Fund announces 2016 First Quarter Results

May 6, 2016, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter ended March 31, 2016.

First quarter performance was ahead of our 2016 outlook as total revenue was up 27.6% on the Healthmark acquisition and organic revenue growth and a U.S./Cdn.7.7¢ weakening of the dollar down to 73¢. Gross profit and EBITDA<sup>1</sup> as a percent of sales were 17.3% and 13.0% respectively, nicely ahead of levels in 2015. EBITDA was up \$2.9 million, or 44.6%, due to higher organic revenue and the translation impact of Richards US. Net income was up \$2.4 million, or 22.0¢ per Unit, mainly due to a higher profit from operations and a lower mark to market loss on exchangeable shares.

The \$3.1 million of free cash flow<sup>2</sup> generated in the first quarter was utilized to pay \$1.2 million for 2015 bonuses, repay \$1.0 million in debt, purchase \$0.3 million in Units and fund \$0.6 million for expansion and working capital requirements for revenue growth. Cash increased \$2.2 million to \$3.0 million at March 31<sup>st</sup> of which \$2.1 million will be utilized to settle taxes payable for the first quarter. The Fund's leverage was reduced to 1.4x from 1.5x at December 31, 2015.

The Fund paid monthly distributions of 7.35¢ per Unit, which represented an annualized yield of 4.2% on the March 31<sup>st</sup> closing price of \$21.00 per Unit and purchased 16,000 Units under the NCIB at \$18.05 per Unit. The payout ratio<sup>3</sup> for the first quarter was 45% down 26 percentage points from the same period in 2015 reflecting the increase in EBITDA. Beginning with the April distribution the new monthly payment will be 9.35¢ per Unit representing a 5.3% annualized yield on the March 31<sup>st</sup> closing price.

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 13,300 regional food, wine and spirits, cosmetic, specialty chemical, pharmaceutical and other companies from 18 locations throughout North America.

<sup>1</sup> Management defines EBITDA as earnings before amortization, 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. 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.*