

FOR IMMEDIATE RELEASE

RICHARDS PACKAGING INCOME FUND

Richards Packaging Income Fund announces 2010 First Quarter Results

May 3, 2010, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter ended March 31, 2010.

The first quarter performance continued the rebound that began during the fourth quarter of 2009 with organic revenue growth at 5.4%, as our customers replenished their inventories. Total revenue was down 2.7% driven by the appreciation of the Cdn. dollar by U.S./Cdn. 16¢. EBITDA¹ was up \$0.6 million, or 11.7%, due to higher production, and therefore overhead absorption, at our plants. "Gross profit and EBITDA as a percent of sales continued to run at strong levels of 18.2% and 12.5% respectively" commented Gerry Glynn, Chief Executive Officer. Net income was up \$2.1 million, or 21¢ per Unit, reflecting higher EBITDA and lower interest costs at \$0.7 million.

Richards Packaging deployed the \$2.1 million of cash on hand at year end to invest in working capital, mainly in receivables (flat on a days sales basis) \$1.5 million and in inventory \$2.0 million. "Over the next six months we expect this investment to be realized as higher sales⁴, added Mr. Glynn. Although payables increased in line with the higher inventory levels, this was offset by the 2009 bonuses outlined in our 2009 annual report.

The Fund paid monthly distributions of 6.55¢ per Unit during the first quarter, which represented an annualized yield of 10.8% on the March 31st closing price of \$7.25 per Unit. The payout ratio³ for the first quarter was 60%, an improvement from 74% during the fourth quarter of 2009. During the first quarter, an additional 42,136 Units were purchased for cancellation at an average price of \$7.14 per Unit.

Details of the Fund's results are currently available on Richards Packaging's website at www.richardspackaging.com and on May 4th on SEDAR at www.sedar.com.

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About Richards Packaging Income Fund

The Fund owns 85% of 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 for over 97 years and currently serves over 10,000 regional food, wine and spirits, cosmetic, specialty chemical, pharmaceutical and other companies from 20 locations throughout North America.

- 1 Management defines EBITDA as earnings before amortization, interest, unrealized losses (gains) on financial instruments and taxes. EBITDA is the same as income before under noted items, income taxes and non-controlling interests as outlined in the interim consolidated financial statements. 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 flow from operating, investing and financing activities as a measure of liquidity and cash flows. EBITDA does not have a standardized meaning prescribed by GAAP and therefore the method of calculating EBITDA may not be comparable to similar measures presented by other companies or income trusts.*
- 2 Management defines distributable cash flow, in accordance with the Company's credit agreement, as EBITDA less interest, cash income tax expense, maintenance capital expenditures and loan payments. The objective of presenting this measure is to calculate the amount which is available for distribution to unitholders and exchangeable shareholders. 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 GAAP and therefore the method of calculating distributable cash flow may not be comparable to similar measures presented by other income trusts.*
- 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 GAAP. The method of calculating the payout ratio may not be comparable to similar measures presented by other income trusts.*
- 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, the extent and duration of the worldwide recession and the impact on order volumes and pricing, 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.*