

## **FOR IMMEDIATE RELEASE**

### **RICHARDS PACKAGING INCOME FUND**

#### **Richards Packaging Income Fund announces 2011 Fourth Quarter and Annual Results and Normal Course Issuer Bid**

March 8, 2012, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter and year ended December 31, 2011.

Performance in the fourth quarter was unusually strong with organic revenue growth of 6.5%, in line with growth levels for the packaging industry. The remaining \$0.3 million revenue increase reflects the U.S./Cdn. 1¢ depreciation of the dollar. EBITDA<sup>1</sup> was up \$0.2 million as gross margins from higher revenue offset the \$1.0 million write down of inventory.

The 2011 results showed significant improvement in the back half as organic growth picked up and as foreign currency peaked in the third quarter. Revenue growth at \$3.3 million was mainly in the fourth quarter with the currency impact turning mildly positive. We experienced a \$2 million contraction with our top 60 customers as the higher freight costs and Canadian dollar hampered their ability to compete. Fully offsetting this setback was the higher growth rates in our larger small customer base which resulted in \$5 million of additional sales. EBITDA<sup>1</sup> was down by \$1.6 million due to inventory write downs of \$1.2 million and margin erosion caused by foreign exchange, ocean freight, and price degradation in select large accounts in response to increasing competitive threats. Net income was \$8.1 million, or \$0.64 per Unit, up \$1.6 million from the same period in 2010 which mainly reflects the mark-to-market gain on exchangeable shares.

The Fund paid monthly distributions of 6.55¢ per Unit for the year, which represents an annualized yield of 10.5% on the December 31<sup>st</sup> closing price of \$7.50 per Unit. The payout ratio<sup>3</sup> for the fourth quarter was 64% and 61% for the 2011 year with free cash flow<sup>2</sup> mainly deployed in working capital.

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 9 2012, the Fund had not purchased any Units. As at March 8, 2012, the Fund had 10,743,470 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 1,470 units. The normal course issuer bid will commence on March 13, 2012 and end no later than March 12, 2013. 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 9<sup>th</sup> 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 for over 99 years and currently serves over 11,000 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, interest, losses (gains) on financial instruments 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. 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 GAAP and therefore 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 Richards Packaging’s credit agreement, as EBITDA less interest, cash income tax expense, maintenance capital expenditures and loan payments. 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 the 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 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 GAAP. The Fund’s 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. Specifically this release contains Statements with respect to compliance with certain financial covenants and the recommencement of distributions. 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.*