

## FOR IMMEDIATE RELEASE

### RICHARDS PACKAGING INCOME FUND

#### Richards Packaging Income Fund announces 2012 First Quarter Results

May 11, 2012, (TORONTO) -- Richards Packaging Income Fund (TSX: RPI.UN) (the "Fund") announced today results for the quarter ended March 31, 2012.

First quarter performance continued to reflect the recovery that began during the third quarter of 2011. Total revenue was up 7.8% mainly from organic revenue growth at Richards Packaging US. EBITDA<sup>1</sup> was up \$0.6 million, or 12.8%, due to higher sales. Gross profit and EBITDA as a percent of sales strengthened to 16.5% and 11.7% respectively. Net income was down \$2.1 million, or 20¢ per Unit, mainly due to the mark-to-market loss on the exchangeable shares from the \$1.50 unit price increase.

The \$1.8 million of free cash flow<sup>2</sup> generated in the first quarter was utilized to pay down \$0.5 million of debt and to top up working capital. Cash on hand at March 31 of \$1.5 mil. was unusually high however, subsequent to quarter end, \$0.4 mil. was used to settle the first quarter tax liability. Over the next six months we expect to lower our investment in inventories and make further payments on our debt<sup>4</sup>.

With the distributions no longer eligible for interest deductibility we continue to utilize loss carry forwards to fully shield Canadian taxes and to pay out distributions as a full return of capital. Loss carry forwards should fully shield Canadian taxes until approximately the fourth quarter of 2012.

The Fund paid monthly distributions of 6.55¢ per Unit during the first quarter, which represented an annualized yield of 8.8% on the March 31st closing price of \$8.94 per Unit. The payout ratio<sup>3</sup> for the first quarter was 57%, down from 62% for 2011.

Details of the Fund's results are currently available on Richards Packaging's website at [www.richardspackaging.com](http://www.richardspackaging.com) and on May 12<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 since 1912 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.*