Q1 QUARTERLY REPORT

Richards Packaging Income Fund

Quarter ended March 31, 2009

Report Contents

Report to Unitholders 1
Management's discussion and analysis 2
Consolidated financial statements 11
Notes to consolidated financial statements 14

Richards

Richards Packaging Income Fund

CEO'S REPORT TO UNITHOLDERS

March 31, 2009

Richards Packaging has been providing packaging solutions to small-and medium-sized North American businesses since 1912. Over this period Richards Packaging has developed into the leading packaging distributor in Canada, and the third largest in North America, with one of the most diverse product and service offerings available to product marketers.

The first quarter results were disappointing with organic revenue shrinkage of 5.4% and EBITDA[1] as a percentage of revenue slipping to 10.8%. Against a backdrop of economic contraction in both Canada (7.3%) and the US (6.1%) GDP, our customers were drastically reducing inventory levels and we followed suit with a $2.3 million reduction, or 6.1%. Total revenue was up 4.2% driven by the devalued dollar but EBITDA fell $0.4 million due to lower production, and therefore overhead absorption, at our plants. Net income was $0.3 million, or 3.4¢ per Unit, flat with the same period in 2008, as the lower EBITDA and higher interest costs of $0.3 million, due to 2.0% additional margining and 0.5% foreign currency translation, were offset by a lower unrealized loss on financial instruments ($0.9 million).

Richards Packaging borrowed $2.0 million on the revolving credit facility during the first quarter to invest in working capital. We have mainly deployed these funds in receivables (flat on a days sales basis) as the decrease of $2.3 million in inventory was more than offset by the $2.5 million drop in payables. This higher payables drop reflects the normal year end bonuses payments of $0.5 million. Our leverage ratio was adversely affected in the first quarter increasing from 2.8:1 to 3.0:1, reflecting an increased borrowing on the revolver and the revaluation of the term debt ($1.8 million) as a result of a 2.3¢ decrease in the Canadian dollar to U.S./Cdn$0.79. As at April 30, 2009 we have redeployed the cash diverted from distributions to make our first US$1.0 million repayment on the term debt.

The Fund paid monthly distributions of 9.35¢ per Unit for January and February and suspended distributions beginning in March until a leverage ratio of less than 2.5:1 is achieved. Consistent with the distribution suspension, an internal reorganization has been executed by way of a series of inter-company transfers to minimize cash tax leakage. The Trustees of the Fund will establish the distribution policy in the fourth quarter of this year following the release of the third quarter results[4].

We appreciate the support of our customers, suppliers, employees and investors and will continue to execute on our commitments with the highest degree of quality, care and integrity.

"Gerry Glynn" May 8, 2009
Chief Executive Officer
Richards Packaging Inc.

Richards Packaging Income Fund

MANAGEMENT'S DISCUSSION AND ANALYSIS

(expressed in thousands, except where otherwise indicated)

May 8, 2009

This management's discussion and analysis ("MD&A") of Richards Packaging Income Fund for the first quarter should be read in conjunction with the attached interim unaudited consolidated financial statements dated March 31, 2009, the 2008 Annual Report and the 2008 Annual Information Form dated March 5, 2009 respectively. Results are reported in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on a consistent basis with the 2008 annual financial statements, except as disclosed in Change in Accounting Policy.

Fund Profile and Description of the Business

Richards Packaging Income Fund (the "Fund") is a limited purpose, open-ended trust created on February 26, 2004 to invest in packaging distribution businesses throughout North America. The Fund commenced operations on April 7, 2004 when the Fund completed an initial public offering of 8,569,913 trust units of the Fund ("Units") at a price of $10 per Unit and indirectly through Richards Packaging Holdings Inc. ("Holdings") purchased 96% of the securities of Richards Packaging Inc. ("Richards Packaging"). Ownership is currently at 85% due to the issuance of shares exchangeable into Units in order to facilitate the financing of two acquisitions and purchases under our normal course issuer bid. Units are listed on the Toronto Stock Exchange under the symbol RPI.UN.

Richards Packaging serves a wide customer base that is comprised of over 9,000 regional food, beverage, cosmetic, specialty chemical, pharmaceutical and other companies. The primary source of revenue is from the distribution of over 5,000 different types of packaging containers and related components sourced from over 600 suppliers and its three dedicated manufacturing facilities. Sales from these manufacturing facilities represent approximately 17% of the total revenues of Richards Packaging. In addition to providing its customers with a wide range of packaging solutions, Richards Packaging provides design and development services and comprehensive logistics management through 15 sales offices and one agency location.

Highlights and Selected Financial Information

Highlights of the overall performance for the first quarter 2009 include:

- Revenue growth of $1.9 million, or 4.2%, with 5.4% negative organic growth being more than offset by foreign currency translation of US operations,
- EBITDA[1] down $0.4 million, or 7.8%, representing 10.8% of sales, mainly due to under-absorption of plant overheads at reduced inventory levels,
- Inventory reduced by $2.3 million and payables by $2.5 million,
- Leverage ratio at 3.0:1 debt to EBITDA – drew $2.0 million on revolver; $1.8 million f/x,
- Repaid U.S.$1.0 million term debt – obtained commitments to extend the revolving credit maturity at an additional cost of 0.5% in bank margining subsequent to quarter end,
- Distributable cash flow[2] down by 4.1¢ per Unit and combined with the suspended distributions effective March, resulted in a 71% payout ratio[3], and
- Paid monthly distributions of 9.35¢ per Unit for the months of January and February. Suspended distributions until the Fund achieves a leverage ratio of 2.5:1 debt to EBITDA.

Richards Packaging Income Fund

(expressed in thousands, except where otherwise indicated)

May 8, 2009

This MD&A covers the three months ended March 31, 2009 (generally referred to in this MD&A as the "first quarter"). The following table sets out selected consolidated financial information:

	Qtr. 1	
	2009	**2008**
	$	$
Income Statement Data:		
Revenue	**46,417**	**44,541**
EBITDA[1]	**5,033**	**5,458**
Diluted per Unit	***42.3¢***	***45.4¢***
Net income	**339**	**277**
Diluted per Unit	***3.4¢***	***2.7¢***
Balance Sheet Data:		
Total assets	**188,446**	**183,501**
Bank debt	**66,270**	**53,556**
Cash Flow Data:		
Distributions and dividends	**2,277**	**3,370**
Diluted per Unit	***19.1¢***	***28.1¢***
Payout ratio[3]	***71%***	***90%***

The distribution policy is set by the Trustees after giving careful consideration to the projected cash flows, the long-term sustainability of the distribution level and the balance of risks and future prospects of the investments of the Fund. This policy is not set based on net income due to various non-cash accounting charges that depress net income such as amortization, unrealized gains and losses on financial instruments and future income taxes. The Fund's payout ratio of 71% reflects the suspension of distributions effective March 2009 until a leverage ratio of less than 2.5:1 is achieved. Total cash distributions and dividends paid in the first quarter reflected in the Consolidated Statements of Cash Flows were $3.4 million, including the settlement of distributions and dividends declared for December 2008 which was paid January 15th.

Review of Operations

Richards Packaging's operations were approximately half in Canada and half in the United States ("Richards US") similar to performance in 2008. Approximately one-third of Richards Packaging's sales are concentrated in Toronto, Montreal and Vancouver and one-third in Los Angeles, Seattle, Reno and Portland.

Revenue increased by $1.9 million, or 4.2%, for the first quarter from the same period in 2008 due to the translation impact of Richards US, with the Canadian dollar weakening by 19.3¢ to U.S./Cdn.$0.803 ($4.3 million), offset by organic contraction of 5.4% ($2.4 million). Going forward the exchange translation impact will likely continue at the current pace for the next two quarters and subside to $1.4 million for the fourth quarter of 2009 at current exchange rates of U.S./Cdn.$0.82[4].

(expressed in thousands, except where otherwise indicated)

May 8, 2009

	Qtr. 1 2009 $	Qtr. 1 2008 $
Revenue	**46,417**	**44,541**
Cost of products sold	**38,698**	**36,530**
Gross profit	**7,719**	**8,011**
	16.6%	*18.0%*
Expenses	**2,615**	**2,509**
Foreign exchange loss from operations	**71**	**44**
EBITDA[1]	**5,033**	**5,458**
	10.8%	*12.3%*
Amortization and debt accretion	**2,062**	**2,144**
Patent defense costs	**72**	**115**
Interest expense	**1,306**	**1,020**
Unrealized losses on financial instruments	**1,528**	**2,476**
Income tax recovery	**(334)**	**(622)**
Non-controlling interests	**60**	**48**
Net Income	**339**	**277**

Cost of products sold increased by $2.2 million, or 5.9%, for the first quarter, with the business performing at a 16.6% gross profit margin, down 1.4% from the same period in 2008 but 0.4% from the fourth quarter of 2008. These declines were primarily due to reduced plant volumes at lower inventory levels, and consequently lower overhead absorption, consistent with our customers' inventory decisions. The volatility in the price of resins continues to not have a material impact on margins as a result of management's practice of immediately passing through increases and decreases to customers.

General and administrative expenses for the first quarter increased $0.1 million over the same period in 2008 primarily due to the translation of U.S. dollar denominated expenses of the US operations.

The foreign exchange loss from operations resulted from an exchange rate drop of 2.3¢ during the period to U.S./Cdn.$0.794 applied to our U.S. dollar denominated working capital position in the Canadian operations.

EBITDA[1] for the first quarter decreased by $0.4 million to 10.8% as a percent of sales, down 1.5% from the same period in 2008. Changes were a result of the factors referred to above.

Patent defense costs relate to ongoing expenditures incurred to defend an action against Richards Packaging to establish that a product launched in July 2006 does not infringe our Dispill patent and trademark. These costs were previously included in intangible assets and amortized over the patent's remaining useful life.

Amortization and long-term debt accretion of $2.1 million for the first quarter was mainly comprised of $1.7 million for intangibles, which represents a charge for customer relationships and patents. The remaining amortization amounts consisted of long-term debt accretion of $0.1 million and capital asset amortization of $0.3 million per quarter, which annualized, is approximately twice Richards Packaging's annual maintenance capital expenditure spending requirement.

(expressed in thousands, except where otherwise indicated)

Interest expense was $0.3 million higher for the first quarter compared to the same period in 2008 due to the negative impact of exchange translation on U.S. denominated interest ($0.2 million) and a 2.0% increase in bank margining partially offset by LIBOR interest rate reductions of over 3.0% on our debt not subject to the interest rate swap ($0.1 million).

Unrealized losses on financial instruments are comprised of foreign currency translation of debt and mark-to-market adjustments of our fixed interest rate swap. The term loan outstanding at March 31, 2009 totaled U.S.$51 million, which gave rise to an unrealized foreign currency translation loss of $1.8 million in the quarter. Richards Packaging has borrowed mainly in U.S. dollars to match the U.S. dollar interest obligations with the net cash it receives from its subsidiaries in the US.

Current income taxes of $0.4 million for the first quarter mainly reflect tax leakage for Richards US. The decrease over the same period in 2008 is due to the reduction in withholding tax rates implemented in the fourth quarter of 2008. Net future tax assets available to shield income taxes are $4.7 million.

Net income for the first quarter was $0.3 million, which represented 3.4¢ per Unit on a diluted basis. A time-weighted average of 10,114,722 Units and 1,793,533 exchangeable shares, exchangeable into Units on a one-for-one basis, were outstanding throughout the first quarter.

Distributable Cash Flow[2]

	Qtr. 1	
	2009 $	**2008** $
Cash provided by operating activities	**1,982**	**1,540**
Working capital changes	**1,243**	**2,241**
Non-cash charges	**1,808**	**1,677**
	5,033	**5,458**
Interest expense	**1,306**	**1,020**
Cash income tax expense	**430**	**542**
Maintenance capital expenditures	**68**	**136**
Loan principal payments	—	**10**
Distributable cash flow[2]	**3,229**	**3,750**
Diluted per Unit	***27.1¢***	***31.2¢***
Distributions and dividends	**2,277**	**3,370**
Diluted per Unit	***19.1¢***	***28.1¢***
Payout ratio[3]	***71%***	***90%***
Purchase of Units	—	**257**
Units outstanding on a diluted basis	**11,908**	**12,015**

The distributable cash flow[2] definition excludes changes in working capital as they are necessary to drive organic growth and are expected to be financed by a $7.0 million revolving facility available to Richards Packaging ($2.0 million drawn; 2008 – $4.2 million).

Distributable cash flow[2] for the first quarter of 2009 was $0.5 million lower than in the first quarter of 2008. Overall the decrease was attributed to lower EBITDA[1] and higher interest offset by lower current income taxes. Maintenance capital expenditures were down by $0.1 million during the first quarter but for the 2009 year should track at management's target of $0.8 million[4].

Monthly distributions for the first two months of the first quarter at 9.35¢ per Unit, represents a payout ratio of 71% reflecting the suspension of distributions effective in the month of March until a leverage ratio of less than 2.5:1 is achieved. As a result, based upon the first quarter, 100% of the distributions will represent interest on the subordinated note held by the Fund.

Liquidity and Financing

Cash flows from operating activities

Cash flow from operating activities for the first quarter was $2.0 million, up $0.4 million over the same period in 2008, primarily due to $1.0 million of reduced working capital offset by decreased EBITDA[1] from the same period in 2008. During the first quarter, working capital increased by $1.2 million mainly on higher receivables while reflecting the same past due profile as at year end. The decrease of $2.3 million in inventory was more than offset by the $2.5 million drop in payables. This higher payables drop reflects the settlement of in-transit inventory of $0.8 million, the interest rate swap of $0.3 million and normal year end bonuses of $0.5 million.

The financial structure of the Fund allows for maximum distributions of cash flow from operations to the unitholders and shareholders as outlined above in the distributable cash discussion. Actual distributions and dividends paid during the first quarter, including those declared for December 2008, were $3.4 million with nil declared for March.

Cash income taxes

The cash income tax expense for the first quarter was $0.4 million, representing current income tax for Richards Packaging US. The loss carry forwards in Richards Packaging ensure that income tax leakage will be limited to Richards Packaging US until the new tax imposed upon publicly traded income trusts takes effect in 2011[4].

Subsequent to quarter end, an internal reorganization was executed by way of a series of inter-company transfers to minimize cash tax leakage as a consequence of the suspension of distributions.

Capital expenditures

Capital expenditures for the first quarter were $0.2 million (2008 - $0.2 million), incurred mainly on account of expansion capital on new customer programs and their associated business lines. Expenditures classified as maintenance capital are mainly comprised of new moulds or refurbishment of moulds for replacement packaging driven by customer marketing programs. Maintenance capital is expected to be an additional $0.7 million for the remainder of the year[4].

Financing activities and instruments

Richards Packaging's credit facilities include a U.S.$51.0 million term loan with repayment on June 3, 2011 and up to $7.0 million in revolving debt to fund working capital expansion. Subsequent to the quarter end, the revolving credit facility was renewed for an additional year and matures on June 2, 2010. In addition, the revolving and term loan facilities will bear interest at LIBOR plus a premium of 2.75% to 4.25% (2008 – 2.0% to 2.75%) or at the prime rate plus a premium of 1.75% to 3.25% (2008 – 1.0% to 1.75%). Subsequent to quarter end, U.S.$1.0 million of term loan was repaid.

Richards Packaging's credit facilities are subject to a number of covenants and restrictions including the requirement to meet certain financial ratios, most notably the leverage ratio. The leverage ratio covenant is to ensure that our debt is less than 3.25 times the trailing twelve month EBITDA[1] until June 30, 2009 and is reduced to 2.75 times as at September 30, 2009. As of March 31, 2009 our proforma leverage ratio was 3.01 times. In order to ensure we achieve our target of 2.50 times leverage ratio by September 30, 2009, beginning March 2009, distributions were temporarily suspended. Combined with cash flow from operations, management believes that adequate financing will be available for the foreseeable future[4].

Approximately 60% (2008 –50%) of distributable cash flow for the first quarter was provided by Richards Packaging US. As a consequence, the interest on the U.S. denominated debt and dividends on the U.S. denominated exchangeable shares negate approximately two-thirds of the inherent foreign currency exchange risk.

Richards Packaging entered into an interest rate swap contract with approved creditworthy counterparties to June 5, 2009 on a notional principal amount equal to U.S.$30 million of term debt outstanding. The mark-to-market valuation of the swap contracts as at March 31, 2009 gave rise to an unrealized gain of $0.3 million.

Outlook[4]

Management believes that the performance of Richards Packaging is on track to meet ongoing requirements for working capital and capital expenditures for the remainder of the year.

EBITDA[1] for the first quarter was $5.0 million, down $0.4 million against the same period in 2008 and fell below 11% for the first time since 2007. Although management continued to focus its attention on achieving operational improvements and integrate the McKernan operation, the reduction in manufacturing activity led to lower plant overhead absorption. Management expects this to reverse as customers rebuild their inventory levels and as a consequence, plant volumes increase.

Interest expense was up $0.3 million in the first quarter and is expected to be $0.3 million higher again in the second quarter but back at 2008 levels with the maturity of the interest rate swap due June 2009.

Maintenance capital will continue to be funded by cash flow from operations and is expected to grow in line with sales.

Risks and Uncertainties

Investment in Units involves risks inherent in the ordinary course of business of Richards Packaging including: sustainability of customer and supplier relationships, financial stability of customers, lack of written customer and supplier agreements, competition from other packaging companies, the extent and duration of an economic downturn, patent and trademark challenges, inventory obsolescence, trade risks, resin price and exchange rate fluctuations, interest rate volatility, liquidity risks, income taxes and reliance on key personnel. For a detailed description of these and other risks and uncertainties facing investors in the Fund please refer to the 2008 Annual Information Form dated March 5, 2009. To management's knowledge, no significant changes to these risks and uncertainties have occurred in the first quarter of 2009.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting practices requires the Fund to make estimates and assumptions which affect the reported, and disclosure of, amounts for assets and liabilities as at March 31, 2009 and revenue and expenses for the period then ended. Changes in these accounting estimates may have an impact on the financial results of Richards Packaging and the Fund. There have not been any significant changes in the critical accounting estimates of the Fund in the first quarter of 2009, relative to December 31, 2008. For more information on critical accounting estimates, see the Management's Discussion and Analysis, the audited consolidated financial statements and the notes to the consolidated financial statements included in the Fund's 2008 Annual Report.

Change in Accounting Policies

Effective January 1, 2009 the Fund adopted the Canadian Institute of Chartered Accountants Handbook Section 3064, *Goodwill and Intangible Assets* on a retrospective basis.

Legal defense costs incurred to defend a patent infringement case which were previously capitalized and amortized over the patent's remaining useful life are now expensed in the period they are incurred. The impact of adopting this new standard was to decrease intangible assets by $737, future tax liabilities by $209 and non-controlling interests by $42 and increase the deficit by $486 as at December 31, 2008. For the three months ended March 31, 2008, consolidated net income was reduced by $71 and basic and diluted income per Unit was reduced by 0.7¢ to 2.7¢.

Certain computer software formerly included in capital assets is now classified as intangible assets. The impact was to increase intangible assets and decrease capital assets by $262 as at December 31, 2008. For the three months ended March 31, 2008, the amortization of intangible assets increased and capital assets decreased by $69.

International Financial Reporting Standards *("IFRS")*

During the first quarter 2009, management continued to analyze, on an on-going basis, the impact of the IAS pronouncements that may affect the consolidated financial statements of the Fund upon adoption of IFRS.

Disclosure Controls and Internal Controls over Financial Reporting

There have been no changes in the Fund's internal controls over financial reporting during the quarter ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Additional Information

Additional information relating to the Fund is available on Richards Packaging's website at www.richardspackaging.com, SEDAR at www.sedar.com or TSX at www.tsx.com

---

1 *Management defines EBITDA as earnings before amortization, interest, unrealized gain / loss 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 the Fund's 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 the Fund's liquidity and cash flows. EBITDA does not have a standardized meaning prescribed by GAAP and therefore the Fund's 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. 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 the Fund's liquidity and cash flows. Distributable cash flow does not have a standardized meaning prescribed by GAAP and therefore the Fund's 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[2]. 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 *The Report to unitholders and this MD&A contains forward-looking information within the meaning of applicable securities laws. The forward-looking information reflects management's current beliefs and expectations regarding the future growth, results of operations, performance and business prospects and*

opportunities of the Fund and Richards Packaging. We use words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "predict", "estimate" and similar terminology to identify forward-looking information. It is based on assumptions, estimates and analysis made by us in light of our experience and our perception of trends, current conditions and expected developments, as well as other factors we believe to be reasonable and relevant in the circumstances. Forward-looking information involves significant known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from those predicted, expressed or implied by the forward-looking information. Readers should not place undue reliance on forward-looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward-looking information. The risks and uncertainties 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 of foreign suppliers, the ability to finance additional acquisitions and to successfully integrate the acquired businesses, fluctuations in raw material prices, fluctuations in foreign exchange and interest rates, liability claims, reliance on key personnel, compliance with environmental, trade and other laws, changes to applicable tax laws, as well as other risks and uncertainties, as more fully described in other reports and filings made by us with securities regulatory authorities and available at www.sedar.com. While management believes that the expectations expressed and the assumptions underlying same are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. In evaluating forward-looking information, readers should carefully consider the foregoing factors and various other factors which could cause actual results or events to differ materially from those indicated in the forward-looking information. Neither the Fund nor Richards Packaging assumes any obligation to publicly update or revise any such assumptions or any of the forward-looking information contained herein to reflect subsequent information, events, developments or changes in risk factors.

Notice to Unitholders

The attached consolidated financial statements have not been reviewed by the Fund's external auditors

Richards Packaging Income Fund

CONSOLIDATED BALANCE SHEETS

Unaudited

[expressed in thousands of dollars]

As at March 31, 2009 and December 31, 2008

	2009 $	2008 $
		[restated - note 3]
ASSETS		
Current		
Cash and cash equivalents	**61**	**202**
Accounts receivable	**21,572**	**20,458**
Inventory	**36,547**	**38,254**
Prepaid expenses	**2,116**	**1,687**
Income taxes recoverable	**217**	**416**
Total current assets	**60,513**	**61,017**
Capital assets *[note 3]*	**4,405**	**4,535**
Intangible assets *[note 3]*	**44,839**	**46,094**
Future income taxes assets	**24**	**53**
Goodwill	**78,665**	**77,555**
	188,446	**189,254**
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Bank indebtedness	**221**	**258**
Accounts payable and accrued liabilities	**20,764**	**23,290**
Distributions and dividends payable	**—**	**1,135**
Due to previous shareholder of acquired company	**993**	**966**
Short-term debt and current portion of long-term debt *[note 4]*	**2,000**	**—**
Total current liabilities	**23,978**	**25,649**
Long-term debt *[note 4]*	**63,754**	**61,916**
Future income tax liabilities *[note 3]*	**10,424**	**11,065**
Total liabilities	**98,156**	**98,630**
Non-controlling interests *[notes 3 and 5]*	**14,973**	**15,135**
UNITHOLDERS' EQUITY		
Units *[note 6]*	**94,508**	**94,508**
Deficit *[note 3]*	**(24,985)**	**(23,433)**
Accumulated other comprehensive income	**5,794**	**4,414**
	(19,191)	**(19,019)**
Total unitholders' equity	**75,317**	**75,489**
	188,446	**189,254**

See accompanying notes

"Wayne McLeod"	*"Gerry Glynn"*	*"Enzio Di Gennaro"*
Chair – Audit Committee	CEO – Richards Packaging Inc.	CFO – Richards Packaging Inc.

Richards Packaging Income Fund

CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME, DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Unaudited

[expressed in thousands of dollars except for per Unit amounts]

For the three months ended March 31

	2009 $	2008 $
		[restated - note 3]
Revenue	**46,417**	**44,541**
Cost of products sold	**38,698**	**36,530**
	7,719	**8,011**
General and administrative expenses	**2,615**	**2,509**
Foreign currency loss	**71**	**44**
Income before under noted items, income taxes and non-controlling interests	**5,033**	**5,458**
Amortization *[note 3]*		
Capital assets	**353**	**320**
Intangible assets	**1,682**	**1,652**
Debt accretion	**27**	**172**
Patent defense costs *[note 3]*	**72**	**115**
Interest expense	**1,306**	**1,020**
Unrealized losses (gains) on financial instruments		
Interest rate swap contracts	**(288)**	**566**
Foreign currency translation of debt	**1,816**	**1,910**
Income (loss) before income taxes and non-controlling interests	**65**	**(297)**
Provision for (recovery of) income taxes *[note 7]*		
Current	**430**	**542**
Future *[note 3]*	**(764)**	**(1,164)**
	(334)	**(622)**
Non-controlling interests *[notes 3 and 5]*	**60**	**48**
Net income for the period	**339**	**277**
Basic income per Unit *[notes 3 and 6]*	**$0.034**	**$0.027**
Diluted income per Unit	**$0.034**	**$0.027**
Other comprehensive income		
Unrealized foreign currency translation of US operations	**1,380**	**1,811**
Comprehensive income for the period	**1,719**	**2,088**
STATEMENT OF DEFICIT		
Deficit, beginning of period *[note 3]*	**(23,433)**	**(10,407)**
Net income for the period	**339**	**277**
Distributions declared to unitholders	**(1,891)**	**(2,867)**
Deficit, end of period	**(24,985)**	**(12,997)**
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Accumulated other comprehensive income (loss), beginning of period	**4,414**	**(7,201)**
Other comprehensive income	**1,380**	**1,811**
Accumulated other comprehensive income (loss), end of period	**5,794**	**(5,390)**

See accompanying notes

Richards Packaging Income Fund

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

[expressed in thousands of dollars]

For the three months ended March 31

	2009 $	2008 $ *[restated - note 3]*
OPERATING ACTIVITIES		
Net income for the period	**339**	277
Add (deduct) items not involving cash		
Amortization and debt accretion	**2,062**	2,144
Future income taxes	**(764)**	(1,164)
Non-controlling interests	**60**	48
Unrealized losses on financial instruments	**1,528**	2,476
	3,225	3,781
Net change in non-cash operating elements of working capital *[note 8]*	**(1,243)**	(2,241)
Cash provided by operating activities	**1,982**	1,540
INVESTING ACTIVITIES *[note 3]*		
Additions to capital assets	**(182)**	(205)
Expenditures on computer software	**(7)**	—
Cash used in investing activities	**(189)**	(205)
FINANCING ACTIVITIES		
Decrease in bank indebtedness	**(37)**	(387)
Proceeds from debt	**2,000**	3,000
Repayment of short-term debt	**—**	(10)
Purchase of trust units for cancellation	**—**	(257)
Dividends paid to exchangeable shareholders	**(575)**	(500)
Distributions paid to unitholders	**(2,837)**	(2,870)
Cash used in financing activities	**(1,449)**	(1,024)
Foreign currency loss	**(485)**	(240)
Net increase (decrease) in cash and cash equivalents	**(141)**	71
Cash and cash equivalents, beginning of period	**202**	103
Cash and cash equivalents, end of period	**61**	174

See accompanying notes

1. FORMATION OF THE FUND AND ACQUISITIONS

Richards Packaging Income Fund [the "Fund"] is an open-ended, limited purpose trust established under the laws of the Province of Ontario by a Declaration of Trust dated February 26, 2004. The Fund completed an initial public offering of trust units of the Fund [the "Units"] on April 7, 2004 to facilitate the acquisition of 96% of the shares of Richards Packaging Inc. and an indenture note through a series of transactions for consideration of $86,161. The ownership position is currently at 85% due to the issuance of shares exchangeable into Units in order to facilitate the financing of two subsequent acquisitions.

The Fund indirectly acquired all the shares of Kay Containers Ltd., Calgary Plastics Container Supply Ltd. and M.A. Foss Distributors Ltd. on November 30, 2004 for consideration of $7,636, Dispill Inc. on July 29, 2005 for consideration of $7,514 and The E.J. McKernan Co. on October 31, 2007 for consideration of $28,587.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements of the Fund have been prepared in accordance with Canadian generally accepted accounting principles using disclosure standards appropriate for interim financial statements. As such these statements do not contain all the explanatory notes, descriptions or accounting policies or other disclosures that can be found in the Fund's 2008 audited annual consolidated financial statements. The accounting policies used in the preparation of these unaudited interim consolidated financial statements are consistent with the 2008 audited annual consolidated financial statements except as disclosed in note 3.

3. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2009, the Fund adopted the following new Canadian Institute of Chartered Accountants Handbook recommendation on a retrospective basis.

Goodwill and Intangible Assets *[Section 3064]*

Legal defense costs incurred to defend a patent infringement case formerly included in intangible assets are now expensed in the periods they are incurred, whereas previously these costs were capitalized and amortized over the patents' remaining useful life. The impact on the financial statements was to decrease intangible assets by $737, future tax liabilities by $209 and non-controlling interests by $42 and increase the deficit by $486. For the three months ended March 31, 2008, consolidated net income was reduced by $71 and basic and diluted income per Unit was reduced by 0.7¢ to 2.7¢ as a result of patent defense costs of $115 being expensed, intangible asset amortization decreased by $15, recovery of future income taxes increased by $16 and non-controlling interests decreased by $13. Opening deficit as at January 1, 2007 was increased by $339 which is the net amount of these adjustments relating to prior periods.

Certain computer software formerly included in capital assets is now classified as intangible assets. The impact was to increase intangible assets and decrease capital assets by $262 as at December 31, 2008. For the three months ended March 31, 2008, the amortization of intangible assets increased and capital assets decreased by $69.

[expressed in thousands of dollars]

4. SHORT- AND LONG-TERM DEBT

Richards Packaging Inc. has a revolving credit facility of $7,000, of which $2,000 was drawn as at March 31, 2009. Long-term debt reflects a decrease of $516 for unamortized debt issue costs [2008 – $539].

Subsequent to March 31, 2009, the revolving credit facility was extended to June 2, 2010 with the interest premium over LIBOR, or prime rate, increasing by 0.5% to reflect current market conditions. Richards Packaging repaid U.S$1,000 of term debt on April 30, 2009.

5. NON-CONTROLLING INTERESTS *[note 3]*

As at March 31, 2009, 1,793,533 exchangeable shares remain outstanding. The change in carrying value of the non-controlling interests represents $60 of net income [2008 – $48] and $163 of unrealized gain from the translation of Richards US [2008 – $317 gain], offset by $385 of dividends [2008 – $504].

6. UNITS

As at March 31, 2009, 10,114,722 Units remain outstanding. The weighted average number of Units outstanding is as follows:

	2009	2008
Basic	**10,114,722**	**10,221,182**
Diluted	**11,908,255**	**12,014,715**

7. INCOME TAXES *[note 3]*

Income tax expense differs from the provision computed at statutory rates due to the various adjustments outlined below:

	2009 $	2008 $
Income (loss) before income taxes and non-controlling interests	**65**	**(297)**
Fund income not subject to income taxes	**(2,318)**	**(2,387)**
Loss subject to income taxes	**(2,253)**	**(2,684)**
Statutory tax rate	***32.5%***	***36.1%***
Income taxes at statutory tax rate	**(732)**	**(969)**
Recovery of future income taxes	**764**	**1,164**
Current period adjustments	**398**	**347**
Provision for current income taxes	**430**	**542**

[expressed in thousands of dollars]

Fund income exceeds distributions by $427 which is assumed will be declared before year end and therefore not subject to tax.

8. CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash operating elements of working capital consists of the following:

	2009 $	**2008** $
Accounts receivable	**(860)**	**(123)**
Inventory	**2,346**	**(2,500)**
Prepaid expenses	**(402)**	**(374)**
Accounts payable and accrued liabilities	**(2,532)**	**618**
Income taxes recoverable	**205**	**138**
	(1,243)	**(2,241)**

The cash flow impact of interest and income taxes consists of the following:

	2009 $	**2008** $
Interest paid	**1,257**	**939**
Income taxes paid	**221**	**304**