Q3 QUARTERLY REPORT

Richards Packaging Income Fund

Quarter ended September 30, 2013

Report Contents

Richards

Richards Packaging Income Fund

CEO'S REPORT TO UNITHOLDERS

September 30, 2013

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.

Strong third quarter performance recovered the remaining first quarter shortfall, with total revenue up 6.8% mainly from 4.4% organic revenue growth and a U.S./Cdn.4¢ weakening of the dollar. EBITDA[1] was up $0.3 million, or 5.2%, due to higher sales. Gross profit and EBITDA as a percent of sales were consistent with last year at 15.2% and 10.9% respectively. Net income was down $0.5 million at $0.9 million, or 8.1¢ per Unit, mainly due to the $0.4 million of additional patent defense legal costs and a $0.3 million higher mark-to-market loss on the exchangeable shares resulting from a 78¢ per unit price increase.

Nine month total revenue was up 2.9% with organic revenue growth of 1.8% and a U.S./Cdn.2¢ weakening of the dollar. EBITDA[1] was flat as gains in the second and third quarters offset a soft first quarter. Net income was down $0.4 million, or 3.7¢ per Unit, mainly due to $1.1 million in higher patent defense legal costs and $0.4 million in higher income taxes offset by lower financial expenses of $0.4 million and a lower mark-to-market loss on the exchangeable shares of $0.5 million.

The $1.0 million of free cash flow[2] generated in the third quarter, combined with cash on hand, was utilized to pay down $1.5 million of debt. A further $1.8 million from inventory reduction was offset by $1.0 million of additional receivables on higher sales and $0.7 million of lower payables. Although the cash on hand at September 30th appears to be unusually high, $0.7 million has been set aside to pay Canadian taxes.

With the distributions no longer eligible for interest deductibility we continue to utilize loss carry forwards to partially shield Canadian taxes and to pay out distributions as a full return of capital. Loss carry forwards are being recognized on a straight line basis for 2013.

The Fund paid monthly distributions of 6.55¢ per Unit during the nine months, which represented an annualized yield of 8% on the September 30th closing price of $9.88 per Unit. The payout ratio[3] for the third quarter was 70%. During the third quarter no purchases were made under the normal course issuer bid as prices increased rapidly from the opening position of $9.10 per Unit.

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" Nov. 1, 2013

Chief Executive Officer
Richards Packaging Inc.
6095 Ordan Drive
Mississauga, Ontario
L4T 2M7

MANAGEMENT'S DISCUSSION AND ANALYSIS

November 1, 2013

This management's discussion and analysis ("MD&A") of Richards Packaging Income Fund for the third quarter should be read in conjunction with the attached condensed interim financial statements dated September 30, 2013, the second quarter report dated August 1, 2013, the first quarter report dated May 10, 2013, the 2012 Annual Report and the 2012 Annual Information Form dated March 7, 2013 respectively. Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a consistent basis with the 2012 annual financial statements.

Fund Profile and Description of the Business

Richards Packaging Income Fund (the "Fund") is an open-ended, limited purpose trust established under the laws of the Province of Ontario, Canada by a Declaration of Trust dated February 26, 2004. The Fund completed an initial public offering of trust Units (the "Units") on April 7, 2004, to facilitate the acquisition of Richards Packaging Inc. Units are listed on the Toronto Stock Exchange under the symbol RPI.UN.

Richards Packaging serves a wide customer base that is comprised of approximately 11,000 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 15% 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 17 sales offices and one agency location.

Highlights and Selected Financial Information

Highlights of the overall performance for the third quarter include:

- Revenue up \$3.3 mil., or 6.8%, mainly due to organic growth in Richards Packaging US,
- EBITDA[1] up \$0.3 mil., or 5.2%, representing an decrease of 0.2% to 10.9% of sales,
- Current income taxes up \$0.6 mil. due to higher US taxes, Richards Canada being taxable for the first time and withholding taxes,
- Net income decreased \$0.5 mil. due primarily to patent defense legal costs and mark-to-market loss on the exchangeable shares,
- Non-cash working capital increased \$0.2 mil. due to higher accounts receivables of \$1.0 million, decreased payables of \$0.7 million and higher prepaid expenses of \$0.3 million offset by lower inventories of \$1.8 million,
- Free cash flow[2] of \$1.0 mil. and \$0.5 mil. of cash on hand was deployed to repay \$1.5 mil. of term debt,
- Distributable cash flow[2] decreased by \$0.3 mil., or 2.8¢ per Unit, due to higher current income taxes which resulted in a 70% payout ratio[3], and
- Monthly distributions of 6.55¢ per Unit representing an 8.0% annualized return on the Sept. 30th closing price of \$9.88 per Unit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

November 1, 2013

This MD&A covers the three and nine months ended September 30, 2013 generally referred to in this MD&A as the "third quarter" and the "nine months", respectively. The following table sets out selected consolidated financial information:

($ thousands)	Qtr. 3		Nine months	
	2013	**2012**	**2013**	**2012**
INCOME STATEMENT DATA:				
Revenue	**52,066**	48,735	**150,454**	146,176
EBITDA[1]	**5,667**	5,387	**16,644**	16,697
Diluted per Unit	***48.3¢***	*54.7¢*	***$1.42***	*$1.42*
Net income	**863**	1,338	**3,873**	4,298
Diluted per Unit	***8.1¢***	*12.5¢*	***36.3¢***	*40.0¢*
FINANCIAL POSITION DATA:				
Working capital	**40,634**	41,727		
Net operating assets	**124,787**	129,558		
Bank debt	**38,000**	43,000		
Debt/EBITDA	***1.8***	*2.0*		
CASH FLOW STATEMENT DATA:				
Distributions	**2,307**	2,316	**6,927**	6,955
Diluted per Unit	***19.7¢***	*19.6¢*	***59.0¢***	*58.9¢*
Payout ratio [3]	***70%***	*64%*	***71%***	*60%*
Unit purchases	—	49	**426**	98
Debt repayment	**1,500**	500	**3,500**	1,500

The distribution policy is set by the Trustees after giving careful consideration to the projected cash flows of the Fund, 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 upon net income due to various non-cash accounting charges that depress net income such as amortization, mark-to-market gains and losses on exchangeable shares and deferred income taxes. Factors considered when setting this level included the Income Trust tax, the current low interest rates and the cash needs of operations.

Review of Operations

Revenue from operations were approximately half in Canada and half in the United States ("Richards Packaging US") similar to performance in 2012. Approximately one-third of sales are concentrated in Toronto, Montreal and Vancouver and one-third in Los Angeles, Reno and Portland.

Revenue increased by $3.3 million, or 6.8%, for the third quarter from the same period in 2012 due to organic growth of 4.4% ($2.1 million) and the translation impact of Richards US, with the Canadian dollar weakening by 4.2¢ to U.S./Cdn.$0.96 ($1.2 million). Revenue increased by $4.3

million, or 2.9%, for the nine months from the same period in 2012 due to organic growth of 1.8% ($2.6 million) and the translation impact of Richards US, with the Canadian dollar weakening by 2.2¢ to U.S./Cdn.$0.98 ($1.7 million).

($ thousands)	Qtr. 3		Nine months	
	2013	**2012**	**2013**	**2012**
Revenue	**52,066**	48,735	**150,454**	146,176
Cost of products sold[a]	**44,147**	41,141	**127,027**	122,659
Gross profit	**7,919**	7,594	**23,427**	23,517
	15.2%	*15.6%*	***15.6%***	*16.1%*
Administrative expenses[a]	**2,250**	2,333	**6,765**	6,912
Foreign currency loss (gain)	**2**	(126)	**18**	(92)
EBITDA[1]	**5,667**	5,387	**16,644**	16,697
	10.9%	*11.1%*	***11.1%***	*11.4%*
Amortization	**1,945**	1,938	**5,791**	5,754
Patent defense legal costs	**536**	97	**1,235**	120
Financial expenses	**548**	639	**1,573**	2,014
Exchangeable shares loss	**974**	631	**1,997**	2,468
Share of loss (income) - Vision	**(67)**	38	**(209)**	47
Income tax expense	**868**	706	**2,384**	1,996
Net Income	**863**	1,338	**3,873**	4,298

a) before amortization

Cost of products sold for the third quarter and the nine months increased by $3.0 million, or 7.3%, and by $4.4 million, or 3.6%, from the same periods in 2012, respectively. Gross profit margins were 0.6% below second quarter levels of 15.8% consistent with last year, reflecting higher sales to the wine industry. Foreign exchange, ocean freight and price degradation in select large accounts in response to increasing competitive threats continue to keep margins below 16%. Resin price volatility did not have a material impact on margins as a result of management's practice of passing through increases and decreases to customers.

General and administrative expenses for the third quarter and nine months were consistent with the same periods in 2012.

The foreign currency loss (gain) from operations resulted from exchange rate changes applied to our U.S. dollar denominated working capital position within our Canadian operations.

EBITDA[1] for the third quarter increased by $0.3 million, or 5.2%, from the same period in 2012. As a percent of sales, EBITDA was at 10.9% for the third quarter and 11.1% for the nine months, down 0.3% from the same period in 2012. Changes were a result of the factors referred to above.

Amortization of $1.9 million for the third quarter and $5.8 million for the nine months was mainly comprised of $1.6 million and $4.9 million respectively for intangibles assets amortization, which represents a charge for customer relationships and patents. Depreciation for capital assets was $0.3 million and $0.9 million for the third quarter and the nine months respectively, which annualized, is approximately Richards Packaging's annual maintenance capital expenditure requirement.

Patent defense legal costs relate to expenditures incurred to establish infringement on our Dispill patent, trademark and copyright. On October 15th, the judge rendered his decision in favour of the defendants. We are reviewing the judgment and assessing if an appeal will be launched[4].

Financial expenses were lower for the third quarter compared to the same period in 2012 due to a 1.2% lower interest rate and $5.0 million less term debt.

Exchangeable shares mark-to-market loss reflects a unit price increase of 78¢ during the third quarter to $9.88 per Unit and an increase of $1.34 for the nine months. Exchangeable shares distributions remained at $0.2 million per quarter.

Income tax expense increased $0.2 million for the third quarter and $0.4 million for the nine months compared to the same periods in 2012, respectively, mainly due to higher income in Richards Packaging US, the commencement of Canadian taxes and withholding taxes, offset by deferred tax.

Net income for the third quarter was $0.9 million and $3.9 million for the nine months, which represented 8.1¢ and 36.3¢ per Unit on a diluted basis, respectively. A time-weighted average of 10,677,014 Units and 1,059,043 exchangeable shares, exchangeable into Units on a one-for-one basis, were outstanding for the nine months.

Distributable Cash Flow[2]

The distributable cash flow definition excludes changes in working capital and capital expenditures for the expansion of the business, as they are necessary to drive organic growth and are expected to be financed by a $5.0 million revolving facility currently undrawn.

Distributable cash flow[2] for the third quarter and nine months was $0.3 million and $1.9 million lower than in the same periods in 2012. Overall the decreases were attributed mainly to higher patent defense legal costs and current income taxes. Current income taxes for the third quarter increased $0.6 million from the same period in 2012, due to the increase in earnings in Richards Packaging US ($0.2 million), withholding taxes ($0.2 million) and the commencement of Canadian taxes ($0.2 million). Canadian taxes are net of the utilization of the $0.2 million of loss carry forward deferred tax balance as at December 31, 2012 which is being recognized on a straight line basis for 2013. Dividends – Vision represents the annual dividend received from Vision Plastics.

Free cash flow[2] of $1.0 million for the third quarter and $2.8 million for the nine months was deployed to repay $1.5 million and $3.5 million of debt, respectively, and fund Unit purchases, expansion and working capital.

Monthly distributions for the nine months at 6.55¢ per Unit, represents an annual yield of 8.0% on a $9.88 price per Unit at September 30, 2013 and a payout ratio[3] of 71%.

($ thousands)	Qtr. 3		Nine months	
	2013	2012	2013	2012
Cash provided by operating activities	**3,810**	3,948	**13,976**	7,916
Dividends - Vision	**(189)**	—	**(189)**	—
Working capital changes	**167**	621	**(1,506)**	7,067
Income tax payments	**1,343**	721	**3,128**	1,594
Patent defense legal costs	**536**	97	**1,235**	120
EBITDA[1]	**5,667**	5,387	**16,644**	16,697
Patent defense legal costs	**536**	97	**1,235**	120
Interest[a)]	**548**	639	**1,573**	1,914
Dividends - Vision	**(189)**	—	**(189)**	—
Current income tax	**1,374**	813	**3,787**	2,213
Maintenance capital	**112**	206	**468**	766
Distributable cash flow[2]	**3,286**	3,632	**9,770**	11,684
Diluted per Unit	***28.0¢***	*30.8¢*	***$0.83***	*$0.99*
Distributions	**2,307**	2,316	**6,927**	6,955
Diluted per Unit	***19.7¢***	*19.6¢*	***59.0¢***	*58.9¢*
Payout ratio[3]	***70%***	*64%*	***71%***	*60%*
Free cash flow[2]	**979**	1,316	**2,843**	4,729
Units outstanding *(average)*				
Diluted basis 000's	**11,727**	11,791	**11,736**	11,798

a) financial expenses less bank refinancing fees

Liquidity and Financing

Cash flows from operating activities

Cash flow from operating activities for the third quarter was $3.8 million, similar to the same period in 2012. For the nine months, cash flow from operating activities was $14.0 million, up $6.1 million primarily due to our inventory reduction initiative. During the third quarter, working capital increased by $0.2 million mainly due to higher accounts receivables of $1.0 million while reflecting the same past due profile as at year end and a decrease in accounts payable of $0.7 million. This was offset by lower inventory of $1.8 million. For the nine months, working capital decreased $1.5 million as inventory decreased $6.0 million offset by the decrease in accounts payable of $1.2 million and higher accounts receivable of $2.9 million.

Income tax payments were $1.3 million for the third quarter and $3.1 million for the nine months, representing current income tax payments made for Richards US, but excluding the income tax payable for Richards Canada not due until 2014.

Investing activities

Maintenance capital expenditures for the third quarter were $0.1 million and $0.5 million for the nine months. Expenditures classified as maintenance capital are mainly comprised of new moulds or refurbishment of moulds for replacement packaging driven by customer marketing programs. Expansion capital expenditures were $0.2 million for the nine months primarily for the addition of a blow molding machine.

Financing activities

Richards Packaging's credit facilities include a $38.0 million term loan (2012 – $43.0 million) with maturity on May 31, 2015 and up to $5.0 million in revolving debt to fund working capital expansion. The term loan facility bears interest at BA's plus a premium of 1.55% to 1.80%.

The credit facilities are subject to a number of covenants including the leverage ratio which is to maintain debt less than 2.75 times the trailing twelve months EBITDA[1]. As at September 30, 2013, our leverage ratio was 1.75. Surplus distributable cash flow[2] will continue to be utilized to repay term debt with any excess to be used to purchase Units. Combined with cash flow from operations, management believes that adequate financing will be available for the foreseeable future[4].

On March 13, 2013, the Fund renewed the normal course issuer bid to purchase up to 200,000 Units prior to March 12, 2014. During the third quarter no purchases were made as prices increased quickly from the opening position of $9.10 to $9.88 per Unit. During the first half, 47,800 Units were purchased at an average price of $8.91 per Unit.

The financial structure of the Fund allows for maximum distributions of cash flow from operations to the Unitholders and exchangeable shareholders as outlined above in the distributable cash discussion. In recognition of impending higher interest rates and taxes, the majority of the free cash flow[2] was diverted to repay term debt. Actual distributions and dividends paid during the third quarter, including those declared for June 2013, were $2.1 million with $0.7 million declared for September, which was paid October 11th.

Outlook[4]

Management believes that the performance of Richards Packaging is on track to meet ongoing requirements for working capital, capital expenditures and to sustain monthly distributions to Unitholders at the current level through 2013.

Revenue growth for the nine months at 1.8% reflects the return to the long term industry average of 1-3%, but is expected to be flat for the fourth quarter due to disruption from US government budget and debt ceiling negotiations. The impact of exchange translation is expected to increase revenue by $1.2 million for the fourth quarter at current exchange rates of U.S./Cdn.$0.96.

EBITDA[1] for the third quarter was $5.7 million, up $0.3 million against the same period in 2012 and continues to track at levels close to 11% of revenue. The impact of exchange translation is expected to increase EBITDA by $0.1 million for the fourth quarter at current exchange rates of U.S./Cdn.$0.96.

Patent defense legal costs are expected to be in the range of $0.2 million to $0.4 million if we choose to appeal.

Cash income tax expense will be $0.4 million higher quarterly due to the impact associated with higher Canadian taxes and withholding taxes. Withholding taxes are expected to be $0.4 million in 2013 due to the repatriation of funds from the Richards US inventory reduction program. Distributable cash flow[2] from Richards Packaging US and Richards Canada's current tax profile will allow for a full return of capital to Unitholders for 2013.

Maintenance capital will continue to be funded by cash flow from operations and is expected to be $0.7 million in 2013.

Distributable cash flow[2] sensitivity on annual basis to foreign currency fluctuations is $0.1 million for every U.S./Cdn.1¢ movement.

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 2012 Annual Information Form dated March 7, 2013. To management's knowledge, no significant changes to these risks and uncertainties have occurred in the nine months of 2013.

Critical Accounting Estimates

Preparation of the consolidated financial statements in conformity with IFRS requires the Fund to make estimates and assumptions which affect the reported, and disclosure of, amounts for assets and liabilities as at September 30, 2013 and revenue and expenses for the period then ended. There have not been any significant changes in the critical accounting estimates of the Fund in the nine months of 2013, relative to December 31, 2012. 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 2012 Annual Report.

Disclosure Controls and Internal Controls over Financial Reporting

There have been no changes in the Fund's internal controls over financial reporting during the first half 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.tmx.com

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1 Management defines EBITDA as earnings before amortization, financial expenses, patent defense costs, unrealized losses (gains) and dividends on exchangeable shares, share of loss (income) – Vision and taxes. EBITDA is the same as profit from operations as outlined in the interim 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 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 this measure 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 and 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 declared over distributable cash flow[2]. The objective of presenting this measure is to calculate the percentage of distributions compared to the amount available for distribution. Payout ratio does not have a standardized meaning prescribed by IFRS. The method of calculating payout ratio may not be comparable to similar measures presented by other companies.

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 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

STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

Unaudited

For the three and nine months ended September 30 *[Consolidated]*

		Three months		Nine months	
Cdn$ thousands	**Notes**	**2013**	**2012**	**2013**	**2012**
Revenue		**52,066**	48,735	**150,454**	146,176
Cost of products sold		**46,068**	43,053	**132,757**	128,339
Administrative expenses		**2,274**	2,359	**6,826**	6,986
Foreign currency loss (gain)		**2**	(126)	**18**	(92)
Patent defense legal costs	*5*	**536**	97	**1,235**	120
Profit from operations		**3,186**	3,352	**9,618**	10,823
Financial expenses		**548**	639	**1,573**	2,014
Exchangeable shares					
Mark-to-market loss		**763**	424	**1,367**	1,844
Distributions		**211**	207	**630**	624
Share of (income) loss - Vision		**(67)**	38	**(209)**	47
Income before income taxes		**1,731**	2,044	**6,257**	6,294
Income tax expense (income)					
Current taxes	*3*	**1,374**	813	**3,787**	2,213
Deferred taxes	*3*	**(506)**	(107)	**(1,403)**	(217)
		868	706	**2,384**	1,996
Net income for the period		**863**	1,338	**3,873**	4,298
Basic income per Unit	*4*	***8.1¢***	12.5¢	**36.3¢**	40.0¢
Diluted income per Unit [a)]	*4*	***8.1¢***	12.5¢	**36.3¢**	40.0¢
Other comprehensive income (loss)					
Richards Packaging US					
Currency translation adjustment		**(1,438)**	(2,180)	**2,181**	(2,001)
Comprehensive income (loss) for the period		**(575)**	(842)	**6,054**	2,297

a) For the 2013 and 2012 three and nine month periods, the calculation of the diluted income per Unit would yield $0.16 and $0.17, and $0.50 and $0.57, respectively which are anti-dilutive results. In accordance with IFRS, anti-dilutive results revert to the basic income per Unit values.

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

STATEMENTS OF FINANCIAL POSITION

Unaudited

As at September 30 and December 31 *[Consolidated]*

Cdn$ thousands	Notes	Sept. 30 2013	Sept. 30 2012	Dec. 31 2012	Dec. 31 2011
Current Assets					
Cash and cash equivalents		**1,880**	244	**893**	3,874
Accounts receivable		**22,917**	22,077	**19,718**	19,081
Inventory		**35,162**	38,926	**40,379**	37,209
Prepaid expenses and deposits		**2,703**	2,973	**2,316**	2,138
		62,662	64,220	**63,306**	62,302
Current Liabilities *(excluding debt)*					
Accounts payable and accruals		**(19,854)**	(20,610)	**(20,764)**	(21,303)
Income tax payable	*3*	**(594)**	(336)	**65**	283
Distributions payable		**(769)**	(772)	**(771)**	(773)
Due to previous shareholder		**(811)**	(775)	**(784)**	(802)
		(22,028)	(22,493)	**(22,254)**	(22,595)
WORKING CAPITAL		**40,634**	41,727	**41,052**	39,707
Long-term Assets					
Plant and equipment		**3,342**	3,683	**3,564**	3,606
Investment - Vision		**692**	526	**672**	576
Intangible assets		**13,790**	19,836	**18,285**	24,990
Goodwill		**71,414**	70,050	**70,367**	71,088
		89,238	94,095	**92,888**	100,260
Long-term Liabilities *(excluding debt)*					
Deferred income taxes	*3*	**(5,085)**	(6,264)	**(6,353)**	(6,619)
NET OPERATING ASSETS		**124,787**	129,558	**127,587**	133,348
Debt					
Term debt		**38,000**	43,000	**41,500**	44,500
Exchangeable shares - current	4	**10,309**	9,631	**8,943**	7,789
		48,309	52,631	**50,443**	52,289
Equity					
Unitholders' capital	4	**65,897**	74,871	**72,617**	81,300
Retained earnings		**15,359**	9,723	**11,486**	5,425
Accumulated other comprehensive loss		**(4,778)**	(7,667)	**(6,959)**	(5,666)
		76,478	76,927	**77,144**	81,059
CAPITAL		**124,787**	129,558	**127,587**	133,348

See accompanying notes

Richards Packaging Income Fund

STATEMENT OF CHANGES IN EQUITY

Unaudited

For the three and nine months ended September 30 *[Consolidated]*

Cdn$ thousands	**Notes**	**Unitholders' capital**	**Retained earnings**	**AOCL[a)]**	
June 30, 2012		77,029	8,385	(5,487)	79,927
Share of comprehensive income (loss)			1,338	(2,180)	(842)
Distributions		(2,109)			(2,109)
Purchased for cancellation, net	*4*	(49)			(49)
September 30, 2012		74,871	9,723	(7,667)	76,927
June 30, 2013		**67,993**	**14,496**	**(3,340)**	**79,149**
Share of comprehensive income (loss)			**863**	**(1,438)**	**(575)**
Distributions		**(2,096)**			**(2,096)**
Purchased for cancellation, net		—			—
September 30, 2013		**65,897**	**15,359**	**(4,778)**	**76,478**
December 31, 2011		81,300	5,425	(5,666)	81,059
Share of comprehensive income (loss)			4,298	(2,001)	2,297
Distributions		(6,331)			(6,331)
Purchased for cancellation, net	*4*	(98)			(98)
September 30, 2012		74,871	9,723	(7,667)	76,927
December 31, 2012		**72,617**	**11,486**	**(6,959)**	**77,144**
Share of comprehensive income			**3,873**	**2,181**	**6,054**
Distributions		**(6,294)**			**(6,294)**
Purchased for cancellation, net	*4*	**(426)**			**(426)**
September 30, 2013		**65,897**	**15,359**	**(4,778)**	**76,478**

a) AOCL - Accumulated other comprehensive loss reflects the foreign currency translation of the net investment in Richards Packaging US.

See accompanying notes

Richards Packaging Income Fund

STATEMENT OF CASH FLOWS
Unaudited

For the three and nine months ended September 30 *[Consolidated]*

		Three months		Nine months	
Cdn$ thousands	**Notes**	**2013**	**2012**	**2013**	**2012**
OPERATING ACTIVITIES					
Profit from operations		**3,186**	3,352	**9,618**	10,823
Add items not involving cash					
Plant and equipment depreciation		**326**	327	**940**	917
Intangible assets amortization		**1,619**	1,611	**4,851**	4,837
Income tax payments	*3*	**(1,343)**	(721)	**(3,128)**	(1,594)
		3,788	4,569	**12,281**	14,983
Dividends - Vision		**189**	—	**189**	—
Changes in non-cash working capital	*6*	**(167)**	(621)	**1,506**	(7,067)
Cash provided by operating activities		**3,810**	3,948	**13,976**	7,916
INVESTING ACTIVITIES					
Additions to plant and equipment		**(112)**	(404)	**(707)**	(1,042)
Additions to intangible assets		**—**	(13)	**(31)**	(22)
Cash used in investing activities		**(112)**	(417)	**(738)**	(1,064)
FINANCING ACTIVITIES					
Repayment of term debt		**(1,500)**	(500)	**(3,500)**	(1,500)
Financial expenses paid		**(547)**	(639)	**(1,567)**	(1,979)
Purchase of Fund units for cancellation		**—**	(49)	**(426)**	(98)
Distributions to Exchangeable Shareholders		**(211)**	(207)	**(630)**	(624)
Distributions to Unitholders		**(2,096)**	(2,109)	**(6,297)**	(6,331)
Cash used in financing activities		**(4,354)**	(3,504)	**(12,420)**	(10,532)
Net cash flow for the period		**(656)**	27	**818**	(3,680)
Cash and cash equivalents, beginning of period		**2,634**	226	**893**	3,874
Foreign exchange effect		**(98)**	(9)	**169**	50
Cash and cash equivalents, end of period		**1,880**	244	**1,880**	244

See accompanying notes

September 30, 2013 [Cdn$ thousands]

1. FORMATION OF THE FUND

Richards Packaging Income Fund [the "Fund"] is an open-ended, limited purpose trust established under the laws of the Province of Ontario, Canada by a Declaration of Trust dated February 26, 2004. The Fund completed an initial public offering of trust units [the "Units"] on April 7, 2004, through the Toronto Stock Exchange, to facilitate the acquisition of Richards Packaging Inc.

2. BASIS OF PRESENTATION

These condensed interim financial statements of the Fund have been prepared in accordance with International Financial Reporting Standard ["IFRS"] IAS 34 *Interim Financial Reporting*. 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 2012 audited annual financial statements. The accounting policies used in the preparation of these condensed interim financial statements are consistent with the 2012 audited annual financial statements.

3. INCOME TAXES

The income tax expense differs from the amount computed at statutory rates due to the various adjustments outlined below:

	Three months		**Nine months**	
	2013	**2012**	**2013**	**2012**
Income subject to income taxes	**1,731**	2,044	**6,257**	6,294
Statutory tax rate	*26.5%*	*26.3%*	*26.5%*	*26.3%*
Income tax expense at statutory tax rate	**459**	538	**1,658**	1,655
Deferred income taxes	**506**	107	**1,403**	217
Current period adjustments				
Foreign tax differential	**(220)**	(266)	**(648)**	(857)
Foreign rate differential	**263**	201	**722**	603
Withholding tax	**190**	—	**293**	—
Exchangeable shares				
Dividends and mark-to-market loss (gain)	**258**	166	**529**	649
Other items	**(81)**	67	**(170)**	(54)
Current income taxes	**1,374**	813	**3,787**	2,213

The utilization of the $185 loss carry forward deferred tax balance as at December 31, 2012 is being recognized on a straight line basis for 2013.

The province of British Columbia implemented a 1% tax increase effective April 1, 2013.

September 30, 2013 [Cdn$ thousands]

4. UNITS AND EXCHANGEABLE SHARES

Number outstanding	**Units basic**	**Weighted average**	**Exchangeable Shares**	**Units diluted**	**Weighted average**
December 31, 2012	10,715,970	10,735,721	1,059,043	11,775,013	11,794,764
Units purchased	(47,800)			(47,800)	
June 30, 2013	**10,668,170**	**10,675,416**	**1,059,043**	**11,727,213**	**11,734,459**
Units purchased	—			—	
September 30, 2013	**10,668,170**	**10,668,170**	**1,059,043**	**11,775,013**	**11,727,213**
nine months		**10,677,014**			**11,736,057**

Average price paid for Units purchased under the normal course issuer bid was $8.92 per Unit for the nine months ended September 30, respectively [2012 – $8.79]. Exchangeable shares mark-to-market loss reflects a unit price increase during the nine months ended September 30, 2013 of $1.34 to $9.88 per Unit.

5. COMMITMENTS AND CONTINGENCIES

Court proceedings associated with the prosecution of a patent, trademark and copyright infringement case were completed on April 9, 2013. On October 15, 2013, the judge rendered his decision in favour of the defendants. We are reviewing the judgment and assessing if an appeal will be launched.

6. ADDITIONAL CASH FLOW INFORMATION

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

	Three months		**Nine months**	
	2013	**2012**	**2013**	**2012**
Accounts receivable	**(997)**	(207)	**(2,893)**	(3,297)
Inventory	**1,814**	(1,326)	**5,970**	(2,428)
Prepaid expenses and deposits	**(301)**	177	**(350)**	(881)
Accounts payable and accruals	**(683)**	735	**(1,221)**	(461)
	(167)	(621)	**1,506**	(7,067)

For the three and nine month periods, the foreign exchange translation impact excluded from the above was $504 loss [2012 – $877] and $792 gain [2012 – $792 loss] respectively.