Q3 QUARTERLY REPORT

Richards Packaging Income Fund

Quarter ended September 30, 2014

Report Contents

Richards

Richards Packaging Income Fund

CEO'S REPORT TO UNITHOLDERS

September 30, 2014

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.

Third quarter performance was disappointing with organic revenue shrinkage of 0.9% due to large customer churn. Total revenue was up 1.7% mainly from a U.S./Cdn.5¢ weakening of the dollar. EBITDA[1] was down $0.1 million, or 0.9%, due to the foreign currency loss on Richards Canada U.S. denominated working capital. Net income was up $1.8 million to $2.7 million, or 25.2¢ per Unit, mainly due to lower intangible amortization and mark-to-market loss on the exchangeable shares and the absence of patent defense legal costs.

Nine month total revenue was up 4.6% with a U.S./Cdn.6¢ weakening of the dollar and organic revenue growth of 0.8%. EBITDA[1] was up $0.9 million, or 5.3%, due to higher sales volumes and the translation impact of Richards US. Net income was up $1.4 million, or 13.1¢ per Unit, when compared to the previous year as higher EBITDA, lower amortization and the absence of patent defense legal costs were offset by a higher mark-to-market loss on the exchangeable shares and higher taxes.

The $1.0 million of free cash flow[2] generated in the third quarter was utilized to pay down $0.5 million of debt and invest in working capital. Inventory was up $2.8 million in the third quarter on our expectation for higher revenue growth in the third and fourth quarter. As this did not materialize, our focus will turn to reducing inventory levels. Cash on hand of $0.8 million is set aside to pay $0.7 million of income tax payable.

The Fund paid monthly distributions of 7.35¢ per Unit during the third quarter, which represented an annualized yield of 6.6% on the September 30th closing price of $13.33 per Unit. The payout ratio[3] for the third quarter was 73%. During the third quarter 400 units were purchased at $12.75 under the normal course issuer bid.

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" Oct. 30, 2014

Chief Executive Officer
Richards Packaging Inc.
6095 Ordan Drive
Mississauga, Ontario
L5T 2M7

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 30, 2014

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, 2014, the second quarter report dated July 31, 2014, the first quarter report dated May 9, 2014, the 2013 Annual Report and the 2013 Annual Information Form dated March 7, 2014 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 2013 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 11,500 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 14% of the total revenues of Richards Packaging (2013 – 15%). 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 $0.9 mil., or 1.7%, due to 2.6% foreign exchange translation offset by negative organic growth of 0.9% due primarily to $0.4 mil. in large customer churn,
- EBITDA[1] down $0.1 mil., or 0.9%, representing an decrease of 0.3% to 10.6% of sales on the foreign currency loss on US dollar denominated accounts payable,
- Current income taxes up $0.2 mil. due to higher US taxes,
- Net income increased $1.8 mil. due primarily to lower intangible amortization and mark-to-market loss on the exchangeable shares and the absence of patent defense legal costs,
- Non-cash working capital increased $0.2 mil. due to higher inventory of $2.8 mil., offset by increased payables of $2.2 mil. and lower receivables and prepaid expenses of $0.3 mil. and $0.1 mil., respectively,
- Free cash flow[2] of $1.0 mil. was deployed to repay $0.5 mil. of term debt and invest $0.2 mil. in working capital,
- Distributable cash flow[2] increased by $0.3 mil., or 2.3¢ per Unit, due to the absence of patent defense legal costs which resulted in a 73% payout ratio[3], and
- Monthly distributions of 7.35¢ per Unit representing a 6.6% annualized return on the Sept. 30th closing price of $13.33 per Unit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 30, 2014

This MD&A covers the three and nine months ended September 30, 2014 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	
	2014	**2013**	**2014**	**2013**
INCOME STATEMENT DATA:				
Revenue	**52,942**	52,066	**157,379**	150,454
EBITDA[1]	**5,617**	5,667	**17,518**	16,644
Diluted per Unit	***47.9¢***	*48.3¢*	***$1.49***	*$1.42*
Net income	**2,695**	863	**5,286**	3,873
Diluted per Unit	***25.2¢***	*8.1¢*	***49.4¢***	*36.3¢*
FINANCIAL POSITION DATA:				
Working capital	**42,187**	40,634		
Net operating assets	**126,724**	124,787		
Bank debt	**33,500**	38,000		
Debt/EBITDA	***1.4***	*1.8*		
CASH FLOW STATEMENT DATA:				
Distributions	**2,597**	2,307	**7,509**	6,927
Diluted per Unit	***22.1¢***	*19.7¢*	***64.0¢***	*59.0¢*
Payout ratio [3]	***73%***	*70%*	***69%***	*71%*
Unit purchases	—	—	—	426
Debt repayment	**500**	1,500	**2,000**	3,500

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 2013. Approximately one-third of sales are concentrated in Toronto, Montreal and Vancouver and one-third in Los Angeles, Reno and Portland.

Revenue increased by $0.9 million, or 1.7%, for the third quarter from the same period in 2013 due to the translation impact of Richards US, with the Canadian dollar weakening by 5.1¢ to

U.S./Cdn.$0.91 ($1.3 million) offset by negative organic growth of 0.9% ($0.4 million) mainly on large customer churn due to increased competitive pressure. Revenue increased by $6.9 million, or 4.6%, for the nine months from the same period in 2013 due to the translation impact of Richards US, with the Canadian dollar weakening by 6.3¢ to U.S./Cdn.$0.91 ($5.7 million) and organic growth of 0.8% ($1.2 million).

($ thousands)	**Qtr. 3**		**Nine months**	
	2014	**2013**	**2014**	**2013**
Revenue	**52,942**	52,066	**157,379**	150,454
Cost of products sold[a)]	**44,795**	44,147	**132,617**	127,027
Gross profit	**8,147**	7,919	**24,762**	23,427
	15.4%	*15.2%*	***15.7%***	*15.6%*
Administrative expenses[a)]	**2,434**	2,250	**7,171**	6,765
Foreign currency loss	**96**	2	**73**	18
EBITDA[1]	**5,617**	5,667	**17,518**	16,644
	10.6%	*10.9%*	***11.1%***	*11.1%*
Amortization	**733**	1,945	**3,103**	5,791
Patent defense legal costs	—	536	—	1,235
Financial expenses	**542**	548	**1,602**	1,573
Exchangeable shares loss	**305**	974	**3,565**	1,997
Share of income - Vision	**(28)**	(67)	**(67)**	(209)
Income tax expense	**1,370**	868	**4,029**	2,384
Net Income	**2,695**	863	**5,286**	3,873

a) before amortization

Cost of products sold for the third quarter and the nine months increased by $0.7 million, or 1.5%, and by $5.6 million, or 4.4%, from the same periods in 2013, respectively. Gross profit margins were 0.6% below second quarter levels of 16.0% but slightly above last year. 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 $0.2 million and $0.4 million higher, respective from the same periods in 2013 primarily due to foreign exchange.

The foreign currency loss from operations resulted from exchange rate changes of 5.3¢ applied to our U.S. dollar denominated working capital position within our Canadian operations.

EBITDA[1] for the third quarter decreased by $0.1 million, or 1.2%, from the same period in 2013. As a percent of sales, EBITDA was at 10.6% for the third quarter and 11.1% for the nine months, flat from the same period in 2013. Changes were a result of the factors referred to above.

Amortization of $0.7 million for the third quarter and $3.1 million for the nine months was mainly comprised of $0.4 million and $2.2 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 in 2013 relate to court trial costs incurred which was resolved in 2013 and Management does not expect to incur any additional costs associated with the case.

Financial expenses were flat for the third quarter compared to the same period in 2013 as lower costs on less term debt was offset by higher credit card discounting fees. Effective June 30, 2014, the term and revolving credit maturities were extended to September 30, 2017 at a cost of $0.1 million.

Exchangeable shares mark-to-market loss reflects a 38¢ per Unit increase during the third quarter to $13.33 per Unit and an increase of $2.81 for the nine months. Exchangeable shares monthly distributions increased 0.8¢ in March 2014 to 7.35¢ per Unit.

Income tax expense increased $0.5 million for the third quarter and $1.6 million for the nine months compared to the same periods in 2013, respectively, with current tax increases due to higher income in Richards Packaging US and lower deferred taxes associated with the drop in intangible amortization.

Net income for the third quarter was $2.7 million and $5.3 million for the nine months, which represented 25.2¢ and 49.4¢ per Unit on a diluted basis, respectively. A time-weighted average of 10,702,689 Units and 1,024,435 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 $0.7 million higher than in the same periods in 2013. Overall the increase was mainly due to the absence of patent defense legal costs as the higher EBITDA[1] was offset by higher current taxes. Current income taxes for the third quarter increased $0.2 million from the same period in 2013, due to the increase in earnings in Richards Packaging US.

Free cash flow[2] of $1.0 million for the third quarter and $3.3 million for the nine months was deployed to repay $0.5 million and $2.0 million of debt, respectively, and fund expansion and working capital for revenue growth.

Monthly distributions were increased 0.8¢ per Unit beginning in April 2014 to 7.35¢ per Unit, which represents an annual yield of 6.6% on a $13.33 price per Unit at September 30, 2014 and a payout ratio[3] of 69% for the nine months.

($ thousands)	Qtr. 3		Nine months	
	2014	**2013**	**2014**	**2013**
Cash provided by operating activities	**4,540**	3,810	**9,888**	13,976
Dividends - Vision	**(189)**	(189)	**(189)**	(189)
Working capital changes	**231**	167	**2,937**	(1,506)
Income tax payments	**1,035**	1,343	**4,882**	3,128
Patent defense legal costs	**—**	536	**—**	1,235
EBITDA[1]	**5,617**	5,667	**17,518**	16,644
Patent defense legal costs	**—**	536	**—**	1,235
Interest[a)]	**542**	548	**1,534**	1,573
Dividends - Vision	**(189)**	(189)	**(189)**	(189)
Current income tax	**1,538**	1,374	**4,826**	3,787
Maintenance capital	**164**	112	**484**	468
Distributable cash flow[2]	**3,562**	3,286	**10,863**	9,770
Diluted per Unit	***30.4¢***	*28.0¢*	***$0.93***	*$0.83*
Distributions	**2,597**	2,307	**7,509**	6,927
Diluted per Unit	***22.1¢***	*19.7¢*	***64.0¢***	*59.0¢*
Payout ratio [3]	***73%***	*70%*	***69%***	*71%*
Free cash flow[2]	**965**	979	**3,354**	2,843
Units outstanding *(average)*				
Diluted basis 000's	**11,727**	11,727	**11,727**	11,736

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 $4.5 million, up 0.7 million from the same period in 2013 primarily due to the absence of patent defense legal costs. For the nine months, cash flow from operating activities was $9.9 million, down $4.1 million primarily due to higher working capital and tax payments. During the third quarter, working capital increased by $0.2 million mainly due to higher inventories of $2.8 million offset by an increase in accounts payable of $2.2 million and decreases in accounts receivable and prepaid expenses. For the nine months, working capital increased $2.9 million as inventory increased $3.4 million and accounts receivable increased $1.8 million, while maintaining the same past due profile, offset by the increase in accounts payable of $2.5 million. Inventory purchasing continued to support the growth levels we had seen up to the third quarter. Our focus will now turn to reducing the inventory through less purchasing activity.

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, 32% of the free cash flow[2] was diverted to repay term debt and fund working and expansion capital. Actual distributions paid during the third quarter, including those declared for June 2014, were $2.6 million with $0.9 million declared for September, which was paid October 14th.

Normal Course Issuer Bid

On March 13, 2014, the Fund renewed the normal course issuer bid to purchase up to 200,000 Units prior to March 12, 2015. During the third quarter, 400 Units were purchased at $12.75 (2013 – nil) and during the nine months, 400 Units were purchased (2013 – 47,800 Units at an average price of $8.91 per Unit).

Current income taxes

Current income tax expense was $1.5 million for the third quarter and $4.8 million for the nine months, representing tax on higher earnings at Richards Packaging US, at Richards Canada and for withholding taxes.

Capital expenditures

Maintenance capital expenditures for the third quarter were $0.2 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 new moulds for new customer programs.

Financing activities

Richards Packaging's credit facilities include a $33.5 million term loan (2013 – $38.0 million) with maturity on September 30, 2017 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% (2013 – 1.55% to 1.80%).

On June 30, 2014, Richards Packaging extended the term and revolving credit facilities to September 30, 2017 on the same terms and conditions and expensed $0.1 million of associated fees. 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, 2014, our leverage ratio was 1.43. Surplus distributable cash flow[2] will continue to be utilized to repay term debt to maintain the leverage ratio at acceptable levels 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].

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 2014.

Organic revenue growth for the first and second quarter of 2.3% and 1.2%, respectively were offset in the third quarter by negative organic growth of 0.9% resulting in nine months growth of 0.8%. We expect organic shrinkage of $0.5 million (1%) for the fourth quarter due to large customer churn. The impact of exchange translation is expected to increase revenue by $1.6 million for the fourth quarter at current exchange rates of U.S./Cdn.$0.89.

EBITDA[1] for the third quarter was $5.6 million, down $0.1 million against the same period in 2013 and continues to track at levels below 11% of revenue. The overall impact is expected to increase EBITDA by $0.1 million for the fourth quarter at current exchange rates of U.S./Cdn.$0.89.

Current income tax expense is expected to be $0.2 million higher for the fourth quarter against the same period in 2013 similar to the increase in the third quarter.

Total capital expenditures will continue to be funded by cash flow from operations and is expected to be $1.0 million in 2014.

Distributable cash flow[2] sensitivity on annual basis to foreign currency fluctuations is $0.1 million for every U.S./Cdn.1¢ movement. Distributable cash flow from Richards Packaging US and Richards Canada's current tax profile are expected to allow for a full return of capital to Unitholders.

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 2013 Annual Information Form dated March 7, 2014. To management's knowledge, no significant changes to these risks and uncertainties have occurred in the nine months of 2014.

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, 2014 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 2014, relative to December 31, 2013. 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 2013 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, exceptional items (disputed duties and patent defense costs), unrealized losses and dividends on exchangeable shares, share of 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. The definition was changed in 2013 to exclude disputed duties and as a result, relevant comparative amounts have been recalculated to conform to the presentation. 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 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]*

Cdn$ thousands	Notes	Three months 2014	Three months 2013	Nine months 2014	Nine months 2013
Revenue		**52,942**	52,066	**157,379**	150,454
Cost of products sold		**45,506**	46,068	**135,664**	132,757
Administrative expenses		**2,456**	2,274	**7,227**	6,826
Foreign currency loss		**96**	2	**73**	18
Patent defense legal costs		—	536	—	1,235
Profit from operations		**4,884**	3,186	**14,415**	9,618
Financial expenses		**542**	548	**1,602**	1,573
Exchangeable shares					
Mark-to-market loss		**72**	763	**2,883**	1,367
Distributions		**233**	211	**682**	630
Share of income - Vision		**(28)**	(67)	**(67)**	(209)
Income before income taxes		**4,065**	1,731	**9,315**	6,257
Income tax expense (income)					
Current taxes	*3*	**1,538**	1,374	**4,826**	3,787
Deferred taxes	*3*	**(168)**	(506)	**(797)**	(1,403)
		1,370	868	**4,029**	2,384
Net income for the period		**2,695**	863	**5,286**	3,873
Basic income per Unit	*4*	***25.2¢***	*8.1¢*	***49.4¢***	*36.3¢*
Diluted income per Unit [a)]	*4*	***25.2¢***	*8.1¢*	***49.4¢***	*36.3¢*
Other comprehensive income (loss)					
(subsequently recyclable to net income)					
Richards Packaging US					
Currency translation adjustment		**3,320**	(1,438)	**3,511**	2,181
Comprehensive income (loss) for the period		**6,015**	(575)	**8,797**	6,054

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 2014	Sept. 30 2013	Dec. 31 2013	Dec. 31 2012
Current Assets					
Cash and cash equivalents		**782**	1,880	**2,649**	893
Accounts receivable		**23,339**	22,917	**20,938**	19,718
Inventory		**41,845**	35,162	**37,235**	40,379
Prepaid expenses and deposits		**2,305**	2,703	**2,056**	2,316
		68,271	62,662	**62,878**	63,306
Current Liabilities *(excluding debt)*					
Accounts payable and accruals		**(23,654)**	(19,854)	**(20,674)**	(20,764)
Income tax payable	*3*	**(682)**	(594)	**(738)**	65
Distributions payable		**(865)**	(769)	**(770)**	(771)
Due to previous shareholder		**(883)**	(811)	**(838)**	(784)
		(26,084)	(22,028)	**(23,020)**	(22,254)
WORKING CAPITAL		**42,187**	40,634	**39,858**	41,052
Long-term Assets					
Plant and equipment		**3,336**	3,342	**3,421**	3,564
Investment - Vision		**612**	692	**734**	672
Intangible assets		**10,771**	13,790	**12,489**	18,285
Goodwill		**74,289**	71,414	**72,507**	70,367
		89,008	89,238	**89,151**	92,888
Long-term Liabilities *(excluding debt)*					
Deferred income taxes	*3*	**(4,471)**	(5,085)	**(5,052)**	(6,353)
NET OPERATING ASSETS		**126,724**	124,787	**123,957**	127,587
Debt					
Term debt		**33,500**	38,000	**35,500**	41,500
Exchangeable shares - current	*4*	**13,398**	10,309	**10,515**	8,943
		46,898	48,309	**46,015**	50,443
Equity					
Unitholders' capital	*4*	**57,231**	65,897	**64,144**	72,617
Retained earnings		**21,729**	15,359	**16,443**	11,486
Accumulated other comprehensive loss		**866**	(4,778)	**(2,645)**	(6,959)
		79,826	76,478	**77,942**	77,144
CAPITAL		**126,724**	124,787	**123,957**	127,587

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, 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	*4*	—			—
September 30, 2013		65,897	15,359	(4,778)	76,478
June 30, 2014		**59,596**	**19,034**	**(2,454)**	**76,176**
Share of comprehensive income (loss)			**2,695**	**3,320**	**6,015**
Distributions		**(2,365)**			**(2,365)**
Purchased for cancellation, net	*4*	—			—
September 30, 2014		**57,231**	**21,729**	**866**	**79,826**
December 31, 2012		72,617	11,486	(6,959)	77,144
Share of comprehensive income (loss)			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
December 31, 2013		**64,144**	**16,443**	**(2,645)**	**77,942**
Share of comprehensive income			**5,286**	**3,511**	**8,797**
Distributions		**(6,913)**			**(6,913)**
Purchased for cancellation, net	*4*	—			**0**
September 30, 2014		**57,231**	**21,729**	**866**	**79,826**

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]*

Cdn$ thousands	Notes	Three months 2014	Three months 2013	Nine months 2014	Nine months 2013
OPERATING ACTIVITIES					
Profit from operations		**4,884**	3,186	**14,415**	9,618
Add items not involving cash					
Plant and equipment depreciation		**304**	326	**885**	940
Intangible assets amortization		**429**	1,619	**2,218**	4,851
Income tax payments	*3*	**(1,035)**	(1,343)	**(4,882)**	(3,128)
		4,582	3,788	**12,636**	12,281
Dividends - Vision		**189**	189	**189**	189
Changes in non-cash working capital	*5*	**(231)**	(167)	**(2,937)**	1,506
Cash provided by operating activities		**4,540**	3,810	**9,887**	13,976
INVESTING ACTIVITIES					
Additions to plant and equipment		**(164)**	(112)	**(661)**	(707)
Additions to intangible assets		**—**	—	**—**	(31)
Cash used in investing activities		**(164)**	(112)	**(661)**	(738)
FINANCING ACTIVITIES					
Repayment of term debt		**(500)**	(1,500)	**(2,000)**	(3,500)
Financial expenses paid		**(609)**	(547)	**(1,594)**	(1,567)
Purchase of Fund units for cancellation	*4*	**—**	—	**—**	(176)
Distributions to Exchangeable Shareholders		**(233)**	(211)	**(682)**	(630)
Distributions to Unitholders		**(2,364)**	(2,096)	**(6,827)**	(6,297)
Cash used in financing activities		**(3,706)**	(4,354)	**(11,103)**	(12,170)
Net cash flow for the period		**670**	(656)	**(1,876)**	1,068
Cash and cash equivalents, beginning of period		**—**	2,634	**2,649**	893
Foreign exchange effect		**112**	(98)	**9**	169
Cash and cash equivalents, end of period		**782**	1,880	**782**	2,130

See accompanying notes

September 30, 2014 [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 2013 audited annual financial statements. The accounting policies used in the preparation of these condensed interim financial statements are consistent with the 2013 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**	
	2014	**2013**	**2014**	**2013**
Profit from operations	**4,884**	3,186	**14,415**	9,618
Financial expenses	**(542)**	(548)	**(1,602)**	(1,573)
Income subject to income taxes	**4,342**	2,638	**12,813**	8,045
Statutory tax rate	*26.5%*	*26.5%*	*26.5%*	*26.5%*
Income tax expense at statutory tax rate	**1,151**	699	**3,395**	2,132
Deferred income taxes	**168**	506	**797**	1,403
Current period adjustments				
Foreign tax differential	**(212)**	(220)	**(670)**	(648)
Foreign rate differential	**352**	263	**1,157**	722
Withholding tax	**84**	190	**191**	293
Other items	**(5)**	(64)	**(44)**	(115)
Current income taxes	**1,538**	1,374	**4,826**	3,787

September 30, 2014 [Cdn$ thousands]

4. UNITS AND EXCHANGEABLE SHARES

Number outstanding	**Units basic**	**Weighted average**	**Exchangeable Shares**	**Units diluted**	**Weighted average**
December 31, 2013	10,702,778	10,676,491	1,024,435	11,727,213	10,733,828
Units purchased	—			—	
June 30, 2014	**10,702,778**	**10,702,778**	**1,024,435**	**11,727,213**	**11,727,213**
Units purchased	(400)			(400)	
September 30, 2014	**10,702,378**	**10,702,513**	**1,024,435**	**11,726,813**	**11,726,948**
nine months		**10,702,689**			**11,727,124**

Exchangeable shares mark-to-market loss reflects a unit price increase during the nine months ended September 30, 2014 of $2.81 to $13.33 per Unit.

The impact on income per Unit of the mark-to-market loss and distributions to shareholders is anti-dilutive which reverts back to basic income per Unit. For the 2014 three month periods and nine month periods of 2014 and 2013, the calculation of the diluted income per Unit would yield 25.6¢, 15.7¢, 75.5¢, and 50.0¢ respectively.

Average price paid for Units purchased under the normal course issuer bid was $12.75 per Unit for the nine months ended September 30, respectively [2013 – $8.92].

5. ADDITIONAL CASH FLOW INFORMATION

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

	Three months		**Nine months**	
	2014	**2013**	**2014**	**2013**
Accounts receivable	**343**	(997)	**(1,814)**	(2,893)
Inventory	**(2,830)**	1,814	**(3,425)**	5,970
Prepaid expenses and deposits	**102**	(301)	**(189)**	(350)
Accounts payable and accruals	**2,154**	(683)	**2,491**	(1,221)
	(231)	(167)	**(2,937)**	1,506

For the three and nine month periods, the foreign exchange translation impact excluded from the above was $1,274 gain [2013 – $504 loss] and $1,423 gain [2013 – $792] respectively.