Q3 QUARTERLY REPORT

Richards Packaging Income Fund

Quarter ended September 30, 2016

Report Contents

Richards Packaging Income Fund

CEO'S REPORT TO UNITHOLDERS

September 30, 2016

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 in line with our outlook, and very similar to the first and second quarter, as total revenue increased 11.9% due to the Healthmark acquisition, 0.5% organic growth and a flat Canadian dollar at U.S./Cdn.$0.77. Organic growth is in line with tepid GDP growth in both Canada and the United States. Gross profit and EBITDA[1] as a percent of sales were slightly higher than the first half at 17.5% and 13.2% respectively. EBITDA was up $1.7 million due to higher sales. Net income was down $0.7 million as the higher EBITDA was offset by a $1.5 million contingent consideration revaluation for the Healthmark acquisition and higher taxes.

Nine month performance reflects strong total revenue growth (up 19.6%) due to the Healthmark acquisition and organic revenue growth of 16.2% and a U.S./Cdn. 4¢ weakening of the dollar. EBITDA[1] was up $7.1 million due to higher sales volumes and the translation impact of Richards Packaging US. Net income was down $2.8 million, or 26.6¢ per Unit, when compared to the previous year as higher EBITDA was offset by a $5.5 million contingent consideration revaluation for the Healthmark acquisition, a higher mark-to-market loss on the exchangeable shares and increased taxes.

The $2.6 million of free cash flow[2] generated in the third quarter together with the $1.0 million improvement in working capital increased the cash on hand by $3.6 million to $6.8 million. We are building up cash balances to fund the $7.5 million contingent consideration for the Healthmark acquisition. The Fund's leverage improved to 1.2x, similar to pre-acquisition levels.

The Fund paid monthly distributions of 9.35¢ per Unit during the third quarter, which represented an annualized yield of 4.8% on the September 30th closing price of $23.50 per Unit. The payout ratio[3] for the third quarter was 56%.

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. 27, 2016

Chief Executive Officer
Richards Packaging Inc.
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Richards Packaging Income Fund

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 27, 2016

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, 2016, the second quarter report dated July 28, 2016, the first quarter report dated May 6, 2016, the 2015 Annual Report and the 2015 Annual Information Form dated March 3, 2016 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 2015 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 13,300 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 10% of the total revenues of Richards Packaging (2015 – 13%). 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 $7.6 mil. due to the Healthmark acquisition, organic growth of 0.5% and foreign exchange impact of -0.2%, or 0.2¢ to U.S./Cdn. 76.6¢,
- EBITDA[1] up $1.7 mil., or 22.5%, representing an increase of 1.1% to 13.2% of sales,
- Current income taxes up $0.5 mil. due to higher EBITDA,
- Net income decreased $0.7 mil. due primarily to the $1.5 mil. revaluation of contingent consideration and higher taxes offset by higher EBITDA and exceptional gains,
- Non-cash working capital decreased $0.6 mil. due to lower inventory ($2.2 mil.) and prepaids ($1.1 mil.) offset by higher accounts receivable ($1.4 mil.) and lower accounts payable of $1.3 mil.,
- Free cash flow[2] of $2.6 mil. was utilized to build cash to fund the contingent consideration.
- Leverage ratio reduced to 1.2x from 1.5x at December 31, 2015,
- Revolving and term debt maturities were extended by 2 years to September 30, 2019 at a cost of $0.1 mil.,
- Distributable cash flow[2] increased by $1.3 mil., or 10.8¢ per Unit, which resulted in a 56% payout ratio[3], and
- Monthly distributions of 9.35¢ per Unit representing a 4.8% annualized return on the Sept. 30th closing price of $23.50 per Unit.

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 27, 2016

This MD&A covers the three and nine months ended September 30, 2016 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**	
	2016	**2015**	**2016**	**2015**
INCOME STATEMENT DATA:				
Revenue	**71,794**	64,174	**216,205**	180,807
EBITDA[1]	**9,478**	7,737	**28,440**	21,347
Diluted per Unit	***81.1¢***	*66.0¢*	***$2.43***	*$1.82*
Net income	**4,147**	4,847	**6,314**	9,152
Diluted per Unit	***34.1¢***	*38.1¢*	***58.2¢***	*84.8¢*
FINANCIAL POSITION DATA:				
Cash and cash equivalents	**6,787**	878		
Working capital *(excluding cash)*	**55,419**	51,318		
Net operating assets	**156,434**	144,099		
Bank debt[a)]	**43,829**	32,448		
Debt/EBITDA	***1.2***	*1.1*		
CASH FLOW STATEMENT DATA:				
Distributions	**3,309**	2,609	**9,224**	7,815
Diluted per Unit	***28.3¢***	*22.3¢*	***78.9¢***	*66.7¢*
Payout ratio[3]	***56%***	*56%*	***52%***	*61%*
Unit purchases	—	—	**289**	—
Debt repayment	—	866	**3,000**	—

a) bank debt is net of deferred financing fees

Distribution policy is set by the Trustees annually 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 foreign exchange outlook, the current low interest rates and the cash needs of the operations.

Review of Operations

Operations were approximately 55% in the United States ("Richards Packaging US") and 45% in Canada. Forty percent of sales are concentrated in Los Angeles, Reno and Portland and one-third in Toronto, Montreal, Winnipeg and Vancouver.

Revenue increased by $7.6 million, or 11.9%, for the third quarter from the same period in 2015 due to the Healthmark acquisition and organic growth ($7.7 million) reduced by the translation impact of Richards Packaging US, with the Canadian dollar slightly strengthening by 0.02¢ to U.S./Cdn.$0.77 ($0.1 million). Revenue increased by $35.4 million, or 19.6%, for the nine months from the same period in 2015 due to the Healthmark acquisition and organic growth of $29.3 million along with the translation impact of Richards Packaging US, with the Canadian dollar weakening by 3.7¢ to U.S./Cdn.$0.76 ($6.1 million).

($ thousands)	**Qtr. 3**		**Nine months**	
	2016	**2015**	**2016**	**2015**
Revenue	**71,794**	64,174	**216,205**	180,807
Cost of products sold	**59,242**	53,326	**178,809**	151,067
Gross profit	**12,552**	10,848	**37,396**	29,740
	17.5%	*16.9%*	***17.3%***	*16.4%*
Administrative expenses	**2,893**	3,022	**8,733**	8,208
Foreign currency loss	**181**	89	**223**	185
EBITDA[1]	**9,478**	7,737	**28,440**	21,347
	13.2%	*12.1%*	***13.2%***	*11.8%*
Amortization	**991**	689	**2,958**	2,086
Financial expenses	**665**	525	**1,957**	1,562
Exceptional gains	**(259)**	—	**(259)**	—
Contingent consideration revaluation	**1,500**	—	**5,500**	—
Exchangeable shares	**(156)**	(382)	**4,514**	3,049
Share of income - Vision	**(26)**	(52)	**(68)**	(106)
Income tax expense	**2,616**	2,110	**7,524**	5,604
Net Income	**4,147**	4,847	**6,314**	9,152

Cost of products sold (before amortization) for the third quarter and the nine months increased by $5.9 million and by $27.7 million from the same periods in 2015, respectively. Gross profit margins were similar to the first half at 17.5%. 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.

Administrative expenses (before amortization) for the third quarter were $0.1 million lower and for the nine months $0.5 million higher from the same periods in 2015, respectively primarily due to the Healthmark acquisition and the translation of expenses of Richards Packaging US.

The foreign currency loss 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 and the nine months increased by $1.7 million, or 22.5%, and by $7.1 million, or 33.2%, from the same periods in 2015, respectively. As a percent of sales, EBITDA was at 13.2% for the third quarter and the nine months, reflective of significant revenue increases from the same periods in 2015. Changes were a result of the factors referred to above.

Amortization of $1.0 million for the third quarter and $3.0 million for the nine months was comprised of $0.6 million and $2.0 million respectively for intangibles assets amortization, which represents a charge for customer relationships and patents. Depreciation for capital assets was $0.4 million and $1.0 million for the third quarter and the nine months respectively, which annualized, is approximately one half of Richards Packaging's annual maintenance capital expenditure requirement.

Financial expenses were higher for the third quarter compared to the same period in 2015 on higher term debt with the Healthmark acquisition and increased credit card fees.

Exceptional gains comprise a $0.3 million gain on disposal of manufacturing equipment.

Contingent consideration revaluation of $1.5 million for the third quarter and $5.5 million for the nine months was recognized associated with the Healthmark acquisition. The revaluation was based on the twelve months performance to September 30th and, when added to the initial assessment, brings total contingent consideration to $7.5 million.

Exchangeable shares mark-to-market loss (gain) reflects a 50¢ per Unit decrease during the third quarter to $23.50 and an increase of $4.32 per Unit for the nine months. Exchangeable shares monthly distributions were 7.35¢ per Share in the first quarter and 9.35¢ per share thereafter.

Income tax expense increased $0.5 million for the third quarter and $1.9 million for the nine months compared to the same periods in 2015, respectively, with current tax increases due to higher income.

Net income for the third quarter was $4.1 million and $6.3 million for the nine months, which represented 34.1¢ and 58.2¢ per Unit on a diluted basis, respectively.

A time-weighted average of 10,846,578 Units and 846,435 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 debt facility, currently undrawn, or free cash flow.

Distributable cash flow[2] for the third quarter and nine months was $1.3 million and $5.1 million higher than in the same periods in 2015, respectively. Overall the increase was mainly due to higher EBITDA[1] and lower maintenance capital which were offset by higher interest and income taxes. Current income taxes for the third quarter increased $0.6 million from the same period in 2015 mainly due to the increase in earnings.

Free cash flow[2] of $8.6 million for the nine months was deployed to repay $3.0 million of term debt, purchase $0.3 million in Units and fund $0.8 million of expansion capital requirements for revenue growth. The remaining cash on hand will be used to help fund the additional contingent consideration owing from the Healthmark acquisition.

Monthly distributions paid of 9.35¢ per Unit for the third quarter represent a payout ratio[3] of 56%. Monthly distributions were increased in April by 2.0¢ to 9.35¢ per Unit and represent an annual yield of 4.8% on a $23.50 price per Unit at September 30, 2016.

($ thousands)	**Qtr. 3**		**Nine months**	
	2016	**2015**	**2016**	**2015**
Cash provided by operating activities	**7,809**	5,292	**21,892**	10,147
Dividends - Vision	—	(50)	—	(50)
Exceptional gains	**(259)**	—	**(259)**	—
Working capital changes	**(567)**	(154)	**(1,502)**	4,286
Income tax payments	**2,495**	2,649	**8,309**	6,964
EBITDA[1]	**9,478**	7,737	**28,440**	21,347
Interest[a)]	**665**	525	**1,957**	1,555
Dividends - Vision	—	(50)	—	(50)
Current income tax	**2,778**	2,212	**8,152**	6,048
Maintenance capital	**128**	401	**533**	1,079
Distributable cash flow[2]	**5,907**	4,649	**17,798**	12,715
Diluted per Unit	***50.5¢***	*39.7¢*	***$1.52***	*$1.08*
Distributions	**3,309**	2,609	**9,224**	7,815
Diluted per Unit	***28.3¢***	*22.3¢*	***78.9¢***	*66.7¢*
Payout ratio [3]	***56%***	*56%*	***52%***	*61%*
Free cash flow[2]	**2,598**	2,040	**8,574**	4,900
Units outstanding *(average)*				
Diluted basis 000's	**11,693**	**11,720**	**11,693**	**11,720**

Liquidity and Financing

Cash flows from operating activities

Cash flow from operating activities for the third quarter was $7.8 million, up $2.5 million over the same period in 2015 primarily due to the higher profit from operations excluding the non-cash revaluation of contingent consideration and decrease in working capital. Working capital decreased by $0.6 million mainly due to lower inventories of $2.2 million and lower prepaids of $1.1 million offset by higher receivables of $1.4 million and lower accounts payable of $1.3 million. For the nine months, cash flow from operating activities was $21.9 million, up $11.7 million primarily due to higher profit from operations excluding the non-cash revaluation of contingent consideration and decrease in working capital offset by higher tax payments. Working capital decreased $1.5 million as inventory decreased $9.1 million offset by increases in accounts receivable of $3.6 million, while maintaining the same past due profile, prepaid expenses of $1.2 million and the decrease in accounts payable of $2.8 million.

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. Actual distributions paid during the third quarter, including those declared for June 2016, were $3.3 million with $1.1 million declared for September, which was paid October 14th.

Normal Course Issuer Bid

On March 14, 2016, the Fund renewed the normal course issuer bid to purchase up to 200,000 Units prior to March 13, 2017. During the nine months, 16,000 Units were purchased at an average price of $18.05 per unit (2015 – nil).

Current income taxes

Current income tax expense increased $0.6 million for the third quarter and $2.1 million for the nine months, which includes $0.3 million of withholding taxes on dividends received from Richards Packaging US (2015 – $0.2 million).

Capital expenditures

Maintenance capital expenditures for the nine months were $0.5 million mainly comprised of refurbishment of moulds. Expansion capital expenditures for the nine months were $0.8 million (2015 – $0.3 million) primarily for the addition of manufacturing equipment for new customer programs.

Financing activities

Credit facilities include a $44.0 million term loan (2015 – $32.5 million) with maturity on September 30, 2019 and up to $5.0 million in revolving debt to fund working capital expansion. The revolving and term loan facilities bear interest at BA's plus a premium of 1.25% to 1.80% or a prime rate plus a premium of 0.25% to 0.80%.

On September 30, 2016, the term and revolving credit facilities were extended to September 30, 2019 on the same terms and conditions at a cost of $0.1 million in associated fees.

On October 1, 2015, the term debt was increased by $15 million and the revolving debt by $1.8 million to fund the acquisition of Healthmark. 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, 2016, our leverage ratio was 1.2 times. 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 2016.

Organic revenue growth for the third quarter was slightly below our second quarter outlook at 0.5%, reflecting the economic climate in North America, therefore we do not expect any organic growth for the fourth quarter. The impact of exchange translation is expected to be minimal for the fourth quarter at current exchange rates of U.S./Cdn.$0.75. The sensitivity is $0.5 million for every 1¢ movement in the exchange rate

EBITDA[1] for the third quarter and nine months was $9.5 million and $28.4 million, up $1.7 million and $7.1 million against the same periods in 2015 respectively, and is expected to track above 12% of revenue for the fourth quarter. No impact of exchange translation is expected for the fourth quarter at current exchange rates. The sensitivity is $0.1 million for every 1¢ movement.

Current income tax expense for the fourth quarter is expected to be the same as in 2015 and the impact of exchange translation is expected to be negligible.

Maintenance expenditures will continue to be funded by cash flow from operations and is expected to be $0.7 million in 2016.

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

Cash on hand of $6.8 million has been set aside to fund the contingent consideration owing on the Healthmark acquisition.

Distributable cash flow[2] 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 2015 Annual Information Form dated March 3, 2016. To management's knowledge, no significant changes to these risks and uncertainties have occurred in the nine months of 2016.

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, 2016 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 2016, relative to December 31, 2015. 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 2015 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, exceptional gains, contingent consideration revaluation, financial expenses, 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 annual financial statements after adding back amortization, exceptional gains and contingent consideration revaluation. 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[1] 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]*

		Three months		Nine months	
Cdn$ thousands	**Notes**	**2016**	**2015**	**2016**	**2015**
Revenue		**71,794**	64,174	**216,205**	180,807
Cost of products sold		**60,205**	53,995	**181,687**	153,099
Administrative expenses		**2,921**	3,042	**8,813**	8,262
Foreign currency loss		**181**	89	**223**	185
Exceptional gains	*3*	**(259)**	—	**(259)**	—
Contingent consideration revaluation	*3*	**1,500**	—	**5,500**	—
Profit from operations		**7,246**	7,048	**20,241**	19,261
Financial expenses		**665**	525	**1,957**	1,562
Exchangeable shares					
Mark-to-market loss (gain)		**(423)**	(593)	**3,750**	2,376
Distributions		**267**	211	**764**	673
Share of income - Vision		**(26)**	(52)	**(68)**	(106)
Income before income taxes		**6,763**	6,957	**13,838**	14,756
Income tax expense (income)					
Current taxes	*4*	**2,778**	2,212	**8,152**	6,048
Deferred taxes	*4*	**(162)**	(102)	**(628)**	(444)
		2,616	2,110	**7,524**	5,604
Net income for the period		**4,147**	4,847	**6,314**	9,152
Basic income per Unit	*5*	***38.2¢***	*44.6¢*	***58.2¢***	*84.8¢*
Diluted income per Unit	*5*	***34.1¢***	*38.1¢*	***58.2¢***	*84.8¢*
Other comprehensive income					
(subsequently recyclable to net income)					
Richards Packaging US					
Currency translation adjustment		**702**	5,677	**(4,690)**	11,118
Comprehensive income for the period		**4,849**	10,524	**1,624**	20,270

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 2016	Sept. 30 2015	Dec. 31 2015	Dec. 31 2014
Current Assets					
Cash and cash equivalents	*3*	**6,787**	878	**794**	1,127
Accounts receivable		**33,063**	28,174	**30,281**	23,262
Inventory		**48,517**	51,756	**59,439**	42,892
Prepaid expenses and deposits		**3,345**	2,756	**2,267**	2,211
		91,712	83,564	**92,781**	69,492
Current Liabilities *(excluding debt)*					
Accounts payable and accruals		**(26,786)**	(29,017)	**(30,278)**	(23,383)
Income tax payable	*4*	**(583)**	(425)	**(740)**	(1,341)
Distributions payable		**(1,103)**	(870)	**(870)**	(865)
Due to previous shareholder		**(1,034)**	(1,056)	**(1,091)**	(914)
		(29,506)	(31,368)	**(32,979)**	(26,503)
WORKING CAPITAL		**62,206**	52,196	**59,802**	42,989
Long-term Assets					
Plant and equipment		**3,970**	3,696	**3,743**	3,190
Investment - Vision		**780**	684	**712**	628
Intangible assets		**17,902**	11,023	**20,376**	10,688
Goodwill		**85,360**	81,100	**87,613**	75,514
		108,012	96,503	**112,444**	90,020
Long-term Liabilities *(excluding debt)*					
Contingent consideration	*3*	**(7,500)**	—	**(2,000)**	—
Deferred income taxes	*4*	**(6,284)**	(4,600)	**(7,149)**	(4,435)
NET OPERATING ASSETS		**156,434**	144,099	**163,097**	128,574
Debt					
Term debt		**43,829**	32,448	**46,883**	32,428
Exchangeable shares - current	*5*	**19,812**	13,184	**16,062**	13,593
		63,641	45,632	**62,945**	46,021
Equity					
Unitholders’ capital	*5*	**38,845**	50,434	**47,828**	54,790
Retained earnings		**41,284**	33,617	**34,970**	24,465
Accumulated other comprehensive income		**12,664**	14,416	**17,354**	3,298
		92,793	98,467	**100,152**	82,553
CAPITAL		**156,434**	144,099	**163,097**	128,574

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**	**AOCI[a)]**	
June 30, 2015		52,832	28,770	8,739	90,341
Comprehensive income			4,847	5,677	10,524
Distributions		(2,398)			(2,398)
Purchased for cancellation, net		—			—
September 30, 2015		50,434	33,617	14,416	98,467
June 30, 2016		**41,887**	**37,137**	**11,962**	**90,986**
Comprehensive income			**4,147**	**702**	**4,849**
Distributions		**(3,042)**			**(3,042)**
Purchased for cancellation, net		—			—
September 30, 2016		**38,845**	**41,284**	**12,664**	**92,793**
December 31, 2014		54,790	24,465	3,298	82,553
Comprehensive income			9,152	11,118	20,270
Distributions		(7,142)			(7,142)
Share conversion		2,786			2,786
Purchased for cancellation, net		—			—
September 30, 2015		50,434	33,617	14,416	98,467
December 31, 2015		**47,828**	**34,970**	**17,354**	**100,152**
Comprehensive income (loss)			**6,314**	**(4,690)**	**1,624**
Distributions		**(8,694)**			**(8,694)**
Purchased for cancellation, net	*5*	**(289)**			**(289)**
September 30, 2016		**38,845**	**41,284**	**12,664**	**92,793**

a) AOCI - Accumulated other comprehensive income (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 2016	Three months 2015	Nine months 2016	Nine months 2015
OPERATING ACTIVITIES					
Profit from operations		**7,246**	7,048	**20,241**	19,261
Add items not involving cash					
Plant and equipment depreciation		**356**	339	**1,004**	981
Intangible assets amortization		**635**	350	**1,954**	1,105
Contingent consideration revaluation		**1,500**	—	**5,500**	—
Income taxes payments	*4*	**(2,495)**	(2,649)	**(8,309)**	(6,964)
Dividends - Vision		**—**	50	**—**	50
Changes in non-cash working capital	*6*	**567**	154	**1,502**	(4,286)
Cash provided by operating activities		**7,809**	5,292	**21,892**	10,147
INVESTING ACTIVITIES					
Additions to plant and equipment		**(302)**	(426)	**(1,304)**	(1,310)
Cash used in investing activities		**(302)**	(426)	**(1,304)**	(1,310)
FINANCING ACTIVITIES					
Repayment of revolving debt		**—**	(866)	**—**	—
Repayment of term debt		**—**	—	**(3,000)**	—
Financial expenses paid		**(640)**	(509)	**(1,930)**	(1,521)
Purchase of Fund units for cancellation	*5*	**—**	—	**(289)**	—
Distributions to Exchangeable Shareholders		**(267)**	(211)	**(764)**	(673)
Distributions to Unitholders		**(3,042)**	(2,398)	**(8,460)**	(7,142)
Cash used in financing activities		**(3,949)**	(3,984)	**(14,443)**	(9,336)
Net cash flow for the period		**3,558**	882	**6,145**	(499)
Cash and cash equivalents, beginning of period		**3,213**	—	**794**	1,127
Foreign exchange effect		**16**	(4)	**(152)**	250
Cash and cash equivalents, end of period		**6,787**	878	**6,787**	878

See accompanying notes

September 30, 2016 [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 2015 audited annual financial statements. The accounting policies used in the preparation of these condensed interim financial statements are consistent with the 2015 audited annual financial statements.

3. EXCEPTIONAL GAINS AND ACQUISITION

Exceptional gains includes a $0.3 million gain on disposal of manufacturing equipment. Contingent consideration of $2,000 was recognized associated with the acquisition of Healthmark Services Ltd. as at December 31, 2015, subject to adjustments based on future earnings for 2016 or 2017. Based on the twelve months performance to September 30th the contingent consideration has been revalued to $7,500. Therefore the Statement of Net Income and the Statements of Financial Position include a contingent consideration revaluation of $5,500.

4. INCOME TAXES

	Three months		**Nine months**	
	2016	**2015**	**2016**	**2015**
Profit from operations	**7,246**	7,048	**20,241**	19,261
Financial expenses	**(665)**	(525)	**(1,957)**	(1,562)
Contingent consideration revaluation	**1,500**	—	**5,500**	—
Income subject to income taxes	**8,081**	6,523	**23,784**	17,699
Statutory tax rate	*26.7%*	*26.6%*	*26.7%*	*26.5%*
Income tax expense at statutory tax rate	**2,158**	1,735	**6,351**	4,696
Deferred income taxes	**162**	102	**628**	444
Current period adjustments				
Foreign tax differential	**(225)**	(226)	**(662)**	(641)
Foreign rate differential	**522**	444	**1,566**	1,325
Withholding tax	**157**	80	**270**	190
Other items	**4**	77	**(1)**	34
Current income taxes	**2,778**	2,212	**8,152**	6,048

September 30, 2016 [Cdn$ thousands]

5. UNITS AND EXCHANGEABLE SHARES

Number outstanding	Units basic	Weighted average	Exchangeable Shares	Units diluted	Weighted average
December 31, 2015	10,862,578	10,862,578	846,435	11,709,013	11,709,013
Units purchased	(16,000)	(16,000)		(16,000)	
June 30, 2016	**10,846,578**	**10,846,578**	**846,435**	**11,693,013**	**11,693,013**
Units purchased	—			—	
September 30, 2016	**10,846,578**	**10,846,578**	**846,435**	**11,693,013**	**11,693,013**
nine months		**10,846,578**	**846,435**		**11,693,013**

Exchangeable shares mark-to-market loss reflects a unit price increase during the nine months ended September 30, 2016 of $4.32 to $23.50 per Unit.

The impact on income per Unit of the mark-to-market loss and distributions to shareholders is anti-dilutive for the nine month periods in 2015 and 2016 which reverts back to basic income per Unit. The calculation of the diluted income per Unit would yield $0.92 for the nine month period of 2016 [2015 – $1.04].

6. ADDITIONAL CASH FLOW INFORMATION

The net change in working capital consists of the following:

	Three months		Nine months	
	2016	**2015**	**2016**	**2015**
Accounts receivable	**(1,400)**	(1,381)	**(3,624)**	(3,024)
Inventory	**2,219**	(962)	**9,112**	(4,833)
Prepaid expenses and deposits	**1,053**	115	**(1,150)**	(332)
Accounts payable and accruals	**(1,305)**	2,382	**(2,836)**	3,903
	567	154	**1,502**	(4,286)

For the three and nine month periods, the foreign exchange translation impact excluded from the above was $296 gain [2015 – $2,384] and $1,975 loss [2015 – $4,428 gain] respectively.