Patheon Board of Directors Advises Shareholders to Reject Inadequate JLL Offer

Toronto, Canada (March 25, 2009) – Patheon Inc. ("Patheon" or the "Company") (TSX:PTI), today announced that the Board of Directors has recommended that shareholders reject the unsolicited offer (the "Offer") by JLL Patheon Holdings LLC ("JLL" or the "Offeror") to acquire, at a price of US$2.00 each, any and all of the issued and outstanding restricted voting shares (the "Restricted Voting Shares") of Patheon not owned by JLL, its affiliates, associates or certain persons acting jointly or in concert with JLL.

The Board determined that, based on the unanimous recommendation of a special committee of independent directors (the "Special Committee"), the Offer is INADEQUATE and advises holders ("Shareholders") of Restricted Voting Shares of Patheon to NOT TENDER their shares to the Offer. All of the independent members of the Board voted in favour of this recommendation. Each of JLL's three nominees on the Board declared his conflict of interest and refrained from voting, JLL's joint actor Joaquín B. Viso declared his interest and refrained from voting, and the Company's CEO, Wesley P. Wheeler, abstained.

The Board's recommendation and its reasons are included in a Directors' Circular to be mailed to shareholders and filed with securities regulators shortly. The Circular and related documents will be available at www.sedar.com and at the Company's website www.patheon.com.

In making its recommendation to the Board, the Special Committee considered a number of factors, including an independent valuation by BMO Capital Markets and an inadequacy opinion it had received from Goldman, Sachs & Co. (as described below), and concluded that the Offer is inadequate, coercive and opportunistic.

Specifically, the Special Committee believes and notes that:

Patheon Continuing as an Independent Company is a Viable and Compelling Alternative to the JLL Offer

- The Special Committee believes that Shareholders have the opportunity to realize substantial value, well in excess of the JLL Offer, by retaining their investment in the Company and benefiting from the realization of Patheon's potential. JLL's statement in the Offering Circular that the Special Committee has not found a viable alternative to its Offer is incorrect: JLL appears not to want Shareholders to recognize that this attractive path is available to them. In fact, this is the alternative to the Offer that the Special Committee is recommending to Shareholders.

JLL and its affiliates currently own only 1.8% of the Restricted Voting Shares

- Where the Offering Circular says that the Offeror and its affiliates own approximately 30% of the outstanding Restricted Voting Shares on an "as-if converted" basis, this ownership consists principally of the additional Restricted Voting Shares that the Offeror could acquire, at a conversion price of US$4.77 per share, if it were to exercise the conversion rights attached to its preferred shares. This conversion right is over US$100 million out-of-the-money relative to the Offer price, and there is no indication that the Offeror intends to convert its preferred shares at the US$4.77 per share conversion price.

The Offer Price is Inadequate and Substantially Undervalues Patheon

- The $2.00 Offer price fails to adequately compensate Shareholders for execution of Patheon's business plan
- The timing of the Offer is opportunistic
- The Offer price is more than 30% below the six-month and one-year average trading prices for the Restricted Voting Shares for the periods prior to the trading day immediately preceding the announcement of JLL's intention to make the Offer
- The $2.00 Offer price is substantially below the independent valuation range of US$4.20 to US$5.00 (C$5.15 to C$6.13 based on current exchange rates)
- Consensus research analyst target prices are between C$4.00 and C$5.00
- Major shareholders, who the Special Committee believes hold shares representing more than a majority of the Restricted Voting Shares of Patheon not held by JLL, have advised the Special Committee that they consider the Offer to be inadequate
- Joaquín B. Viso, Patheon's largest single holder of Restricted Voting Shares and a director, has advised that he does not intend to accept the Offer
- The Offer price is substantially below the prices JLL paid for recent purchases

The Offer Treats Shareholders Differently, is Coercive and is Structurally Unfair to Patheon Shareholders

- JLL has announced that it is giving an option to receive special rights and protections to a group of Patheon Shareholders (the "MOVA Group"), led by Joaquín B. Viso, who received their Restricted Voting Shares when Patheon acquired MOVA Pharmaceutical Corporation in 2004, in a separate side deal (the "Voting Agreement" and "Stockholders' Agreement")
- These special rights and protections are not being made available to other Shareholders
- The Voting Agreement and Stockholders' Agreement do not require the MOVA Group to accept the Offer, and Joaquín B. Viso has advised that he does not intend to accept the Offer
- The Offer is not subject to any minimum tender condition
- The Offer provides no protection to those Shareholders who do not tender
- The Special Committee believes that the Offer, and the Voting Agreement and Stockholders' Agreement, violate the standstill provisions of the Investor Agreement between JLL and Patheon.

Patheon Shareholders are encouraged to review these and other factors considered by the Special Committee and the Board of Directors which are discussed under "Reasons for Recommendation" in the Directors' Circular.

BMO Capital Markets, an independent valuator, has prepared a formal valuation of the Restricted Voting Shares under the supervision of the Special Committee, as required by applicable securities laws (the "Valuation"). The conclusion of the Valuation is that, in the opinion of BMO Capital Markets, as at the date of the Valuation, the fair market value of the Restricted Voting Shares is in the range of US$4.20 to US$5.00 . The Offer price is 57% below the mid-point of the valuation range. The full text of the Valuation is included in the Offering Circular and as Appendix "A" to the Directors' Circular.

On March 18, 2009, Goldman, Sachs & Co. rendered its opinion to the Special Committee, subsequently confirmed in writing, that, as of March 18, 2009 and based upon and subject to the factors and assumptions set forth in the written opinion, the consideration proposed to be paid to the holders of the Restricted Voting Shares (other than the Offeror, any of its affiliates and the MOVA Group) pursuant to the Offer was inadequate from a financial point of view to such holders. The full text of the written opinion of Goldman Sachs & Co., dated March 18, 2009, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion is included as Appendix "B" to the Directors' Circular. Goldman Sachs provided its opinion solely for the information and assistance of the Special Committee in connection with its consideration of the Offer. The Goldman Sachs opinion is not a recommendation as to whether or not any holder of Restricted Voting Shares should tender Restricted Voting Shares in connection with the Offer or take any other action with respect to the Offer, any subsequent transaction pursuant to which the Offeror or an affiliate of the Offeror may acquire all Restricted Voting Shares not acquired pursuant to the Offer or any other matter.

ABOUT PATHEON

Patheon Inc. (TSX:PTI; www.patheon.com) is a leading global provider of contract development and manufacturing services to the global pharmaceutical industry. Patheon prides itself in providing the highest quality products and services to more than 300 of the world's leading pharmaceutical and biotechnology companies. Patheon's services range from preclinical development through commercial manufacturing of a full array of dosage forms including parenteral, solid, semi-solid and liquid forms. Patheon uses many innovative technologies including single-use disposables, Liquid-Filled Hard Capsules and a variety of modified release technologies.

Patheon's comprehensive range of fully integrated Pharmaceutical Development Services includes pre-formulation, formulation, analytical development, clinical manufacturing, scale-up and commercialization. Patheon can take customers direct to clinic with global clinical packaging and distribution services and Patheon's Quick to Clinic™ programs can accelerate early phase development project to clinical trials while minimizing the consumption of valuable API.

Patheon's integrated development and manufacturing network of 11 facilities, and 6 development centers across North America and Europe, strives to ensure that customer products can be launched with confidence anywhere in the world.

Caution Concerning Forward-Looking Statements

This news release may contain forward-looking statements which reflect management's expectations regarding the Company's future growth of operations, performance (both operational and financial) and business prospects and opportunities. These statements are made in the context of the risks and uncertainties that are outlined in the Company's public documents, which can be accessed on our website at www.patheon.com or on SEDAR at www.sedar.com.

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