

## **Patheon and JLL Partners Announce Litigation Settlement**

Toronto, Canada (November 30, 2009) – The Special Committee of Independent Directors of Patheon Inc. ("Patheon" or the "Company") (TSX:PTI) and JLL Partners Inc. and its affiliate, JLL Patheon Holdings, LLC (collectively, "JLL"), today announced that the Company and JLL have entered into a settlement agreement in respect of the pending legal actions between the parties.

The settlement provides among other things that:

- until March 2011, the Board will consist of nine directors who will initially be four nominees of JLL, the Chief Executive Officer of the Company (Wesley P. Wheeler), Joaquín B. Viso and three independent directors. The three independent directors will include two members of the Special Committee, Derek J. Watchorn and Roy T. Graydon, and a new independent director, Brian G. Shaw;
- JLL has agreed not to acquire any additional restricted voting shares ("Shares") of the Company for a one-year period, including through any take over bid. Thereafter, and until April 27, 2012, JLL will not acquire any additional Shares unless, among other things, the acquisition complies with the standstill provisions of the Investor Agreement between Patheon and JLL and, if the acquisition is to be effected by means of a takeover bid, the bid is subject to an irrevocable condition requiring the valid tender to the bid of at least a majority of the minority held Shares;
- until April 27, 2012, certain transactions by the Company, including certain rights offerings, issuer bids and related party transactions, would require independent director approval; and
- the Company will pay to JLL (U.S.) \$1.5 million in connection with the settlement.

A copy of the settlement agreement will be filed with the Canadian Securities Administrators and will be available at [www.sedar.com](http://www.sedar.com).

The settlement is subject to Court approval, which the Company and JLL will seek as soon as possible. The changes to Patheon's Board and the other provisions of the settlement will become effective immediately upon Court approval being obtained. As part of the settlement, JLL will also end its current third party claim against the members of the Special Committee.

The Special Committee believes that, given the current circumstances, the settlement of the litigation on this basis is in the best interests of the Company and all of its shareholders. The settlement provides additional meaningful ongoing protections for minority shareholders, and allows the Company to focus on its business, without the distraction of litigation.

### **ABOUT PATHEON**

Patheon Inc. (TSX:PTI; [www.patheon.com](http://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.

## **ABOUT JLL PARTNERS**

JLL Partners, Inc. is a New York-based leading private equity investment firm with approximately \$4.0 billion of capital under management. JLL's investment philosophy is to partner with outstanding management teams and invest with them in companies that they can continue to grow into market leaders. JLL has invested in a variety of industries, with special focus on financial services, building products, and healthcare services and medical products. More information on JLL can be found on the website [www.jllpartners.com](http://www.jllpartners.com).

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