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PATHEON REPORTS SECOND QUARTER 2009 RESULTS

Improved gross profit and operating income leads to a significant increase in income from continuing operations.

Toronto, Canada, (June 12, 2009) – Patheon (TSX: PTI) (herein referred to as "the Company") today announced results for the second quarter ended April 30, 2009. Total revenues were $167.4 million or 10.0% lower than the same period last year. Excluding currency fluctuations, current year second quarter revenues would have decreased by approximately 1.2%.

Operating income for the period increased to $13.4 million from $3.3 million in the same period last year. Included in current period operating income are $2.9 million in expenses associated with the JLL Offer and $0.8 million in repositioning expenses as compared to repositioning expenses of $8.3 million in the prior year. The JLL Offer expenses consist primarily of fees for legal and financial advisors and Special Committee retainers and meeting expenses. Income from continuing operations of $1.8 million improved significantly compared to a loss of $6.0 million from the prior year and Adjusted EBITDA of $20.2 million was down from $23.1 million in the same quarter last year. All amounts are in U.S. dollars unless otherwise indicated.

"The continuing improvement in profit performance reflects the results of our ongoing restructuring activities and rigorous cost containment efforts. These improvements were achieved despite lower revenues due to the stronger U.S. dollar, some volume declines and ongoing expenses related to the JLL Offer," said Wes Wheeler, Chief Executive Officer and President of Patheon Inc.

Second Quarter 2009 Operating Results from Continuing Operations

Gross profit for the second quarter of 2009 increased by $2.1 million to $42.4 million. Gross profit margin increased to 25.3% from 21.7% in the prior year second quarter. Margin growth resulted from the improved cost structure and favorable foreign exchange impact on operating costs.

Selling, general and administrative costs were $28.2 million or 1.8% lower than prior year. Favorable foreign exchange rates and cost structure improvements were partially offset by internal costs of $2.9 million associated with the JLL Offer. Selling, general and administrative costs were also impacted by $0.5 million of transitional expenses for the opening of the U.S. headquarters in North Carolina, which was primarily severance.

Repositioning expenses for the three months ended April 30, 2009 were $0.8 million in connection with the ongoing shut down and transition of business out of the York Mills facility, which is expected to be completed by the third quarter of this fiscal year. During the three months ended April 30, 2008, the Company incurred $8.3 million of repositioning expenses in connection with changes in executive management, a workforce reduction in Swindon and the manufacturing networks in Puerto Rico and Canada.

Operating income for the second quarter of 2009 increased to $13.4 million or 8.0% of revenues from $3.3 million or 1.8% of revenues in the same period last year as a result of higher gross profit, lower repositioning expenses and favorable foreign exchange partially offset by costs associated with the JLL Offer.

The income from continuing operations for the three months ended April 30, 2009 was $1.8 million, compared with a loss of $6.0 million in the same period last year. The loss per share from continuing operations, after taking into account the dividends on the convertible preferred shares, for the quarter was 2.1¢ compared with a loss of 6.6¢ a year earlier.

Second Quarter 2009 Highlights of Business Segment Results

Commercial Manufacturing – Revenues from commercial operations for the three months ended April 30, 2009 decreased by 10.6% to $135.2 million. Had local currencies remained constant to prior year, commercial manufacturing revenues would have been approximately 1.7% lower than 2008.

North American commercial revenues were $67.0 million or 7.2% less than 2008. Had the Canadian dollar remained constant to the prior year rates, North American revenues would have been approximately 5.3% lower than 2008. This reduction was primarily due to reduced customer demand for some products. The Company expected new product introductions would more than cover normal business erosion in the quarter, however, they were negatively impacted by product approval delays and slower prescription uptake for certain new products from the Whitby and Cincinnati operations. This was partially offset by higher revenue in the Puerto Rico and Toronto operations.

European commercial revenues were $68.2 million or 13.6% lower than last year. Had European currency rates remained constant from the prior year, European revenues would have been approximately 1.9% higher than the same period of 2008. The primary drivers for the increase in local currency were stronger revenues from Swindon and Ferentino partially offset by lower volumes in Bourgoin.

Adjusted EBITDA from the commercial operations for the three months ended April 30, 2009 decreased by 7.1% to $19.6 million. This represents an Adjusted EBITDA margin of 14.5% compared with 13.9% in the prior year. Had local currencies remained constant to prior year rates and after eliminating the impact of all foreign exchange gains and losses, commercial manufacturing Adjusted EBITDA would have been approximately $1.2 million lower than 2008.

North American operations reported an Adjusted EBITDA increase of 8.2% to $6.8 million. The improvement in Adjusted EBITDA was driven by improvements in Puerto Rico, partially offset by weakness in the Canadian operations. Although Puerto Rico reported significantly improved results versus prior year, it did generate a loss for the quarter due to operational issues.

European operations reported an Adjusted EBITDA decrease of 13.6% to $12.8 million. This decrease was due to lower results in Bourgoin partially offset by better results in Swindon and Ferentino.

Pharmaceutical Development Services ("PDS") – PDS revenues for the three months ended April 30, 2009 decreased by 7.6% to $32.2 million. Had the local currencies remained constant to prior year rates, PDS revenues would have been approximately the same as 2008. This reflects a slowdown in demand for development activity due to general market conditions.

Adjusted EBITDA from the PDS operations for the three months ended April 30, 2009 decreased by 9.1% to $8.7 million. Had local currencies remained constant to prior year rates and after eliminating the impact of all foreign exchange gains and losses, PDS Adjusted EBITDA would have been approximately $0.7 million lower than 2008.

Second Quarter YTD 2009 Operating Results from Continuing Operations

Revenues for the period were $314.6 million, which was down 10.2% from the prior period. Excluding currency fluctuations, current year revenues would have decreased by approximately 2.4%. Revenues from commercial manufacturing decreased 11.3% to $252.9 million from $285.2 million in the prior period. PDS also saw a reduction in revenues of 5.2% to $61.7 million from $65.0 million in the prior period.

Gross profit for the period increased 10.3% to $73.2 million. Gross profit margin for the period increased to 23.3% from 18.9% in the first half of 2008. Margin growth resulted from favorable foreign exchange impact on operating costs, improved cost structure and lower inventory reserves.

Selling, general and administrative costs were $1.8 million or 3.1% lower than the prior year. Favorable foreign exchange rates and cost structure improvements were partially offset by higher marketing costs as well as internal costs of $3.4 million associated with the JLL Offer. Selling, general and administrative costs were also impacted by $1.7 million of transitional expenses for the opening of the U.S. headquarters in North Carolina, which included severance and relocation expenses.

Repositioning expenses for the six months ended April 30, 2009 were $1.3 million in connection with the ongoing shut down and transition of business out of the York Mills facility. During the first half of 2008, the Company incurred $10.6 million of expenses in connection with changes in executive management, and a workforce reduction in Swindon and the Puerto Rico and Canadian manufacturing networks.

Operating income for the six months ended April 30, 2009 increased to $17.4 million or 5.5% of revenues from a loss of $0.6 million or (0.2)% of revenues in the same period last year as a result of higher gross profit, lower repositioning expenses and favorable foreign exchange partially offset by costs associated with JLL Offer.

The income from continuing operations for the six months ended April 30, 2009 was $0.5 million, compared with a loss of $17.6 million in the same period last year. The loss per share from continuing operations, after taking into account the dividends on the convertible preferred shares, for the six months ended April 30, 2009 was 7.5¢ compared with a loss of 19.4¢ a year earlier.

Update on Announced Intention by JLL to Make an Unsolicited Offer

On March 11, 2009, JLL announced by way of press release that it was commencing its unsolicited offer (the "JLL Offer") to acquire any or all of the outstanding restricted voting shares of Patheon that it does not already own at a price of US$2.00 per share in cash and filed an Offering Circular on SEDAR. In response to JLL's Offer, 33,667,752 Restricted Voting Shares in the capital of Patheon have been deposited and taken up by JLL as of 6:00pm on June 1, 2009, the second expiry date of JLL's Offer. The offer has been further extended and will now expire on June 15, 2009. JLL now holds 35,317,752 outstanding restricted voting shares or 38.7% of the outstanding amount.

Webcast Conference Call with Analysts

Patheon Inc. will host a webcast conference call with financial analysts on its second quarter on Friday, June 12, 2009 at 10:00 a.m. (Eastern Time). The call will begin with a brief presentation, followed by a question-and-answer period with investment analysts. Interested parties are invited to access the live call, via telephone, in listen-only mode, at (416) 644-3414 (Toronto and International) or toll free at (800) 733-7560 (U.S., including Puerto Rico). Listeners are encouraged to dial in five to fifteen minutes in advance to avoid delays. A live audio webcast will also be available via the web at www.patheon.com. An archived version of the Q2 webcast will be available on www.patheon.com for three months.

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 ten facilities, and six development centers across North America and Europe, strives to ensure that customer products can be launched with confidence anywhere in the world.

Use of Non-GAAP Financial Measures

References in this press release to "Adjusted EBITDA" are to income (loss) from continuing operations before repositioning expenses, interest expense, foreign exchange losses reclassified from other comprehensive income, refinancing expenses, gains and losses on sale of fixed assets, gain on extinguishment of debt, income taxes, asset impairment charge, depreciation and amortization. "Adjusted EBITDA margin" is Adjusted EBITDA as a percentage of revenues.

Since Adjusted EBITDA is a non-GAAP measure that does not have a standardized meaning, it may not be comparable to similar measures presented by other issuers. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to income (loss) determined in accordance with GAAP as indicators of performance. Adjusted EBITDA is used by management as an internal measure of profitability. The Company's major credit facilities also have certain covenant calculations that are based on Adjusted EBITDA. The Company has included these measures because it believes that this information is used by certain investors to assess financial performance of the Company, before non-cash charges and large non-recurring costs. Please see Note 5 of the consolidated interim financial statements for an Adjusted EBITDA bridge.

Caution Concerning Forward-Looking Statements

This press release contains forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance (both operational and financial) and business prospects and opportunities. All statements, other than statements of historical fact, are forward-looking statements. Wherever possible, words such as "plans", "expects" or "does not expect", "forecasts", "anticipates" or "does not anticipate", "believes", "intends" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved have been used to identify these forward-looking statements.

Although the forward-looking statements contained in this press release reflect management's current assumptions based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. Current material assumptions relate to customer volumes, regulatory compliance and foreign exchange rates. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: regulatory approval of and market demand for client products; general economic risks; credit and client concentration; the ability to identify and secure new contracts; regulatory matters, including compliance with pharmaceutical regulations; international operations risks; exposure to foreign currency risks; competition; product liability claims; intellectual property; environmental, health and safety risks; substantial financial leverage; interest rates; initiatives to reduce operating expenses; use of non-GAAP financial measures, significant shareholders; ability to redeem convertible preferred shares when due; risks associated with information systems; and supply arrangements. For additional information regarding risks and uncertainties that could affect our business, please see the "Description of the Business – Risk Factors" section in our Annual Information Form, and the "Risk Factors" section in our MD&A for the year ended October 31, 2008, both of which are available on SEDAR at www.sedar.com. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this press release and, except as required by law, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

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Patheon Inc.

Consolidated Statements of Income (Loss)

(unaudited)	Three months ended April 30,		Six months ended April 30,	
	2009	2008	**2009**	2008
(in millions of U.S. dollars, except income (loss) per share)	**$**	$	**$**	$
Revenues	**167.4**	186.0	**314.6**	350.2
Cost of goods sold	**125.0**	145.7	**241.4**	283.9
Gross profit	**42.4**	40.3	**73.2**	66.3
Selling, general and administrative expenses	**28.2**	28.7	**54.5**	56.3
Repositioning expenses	**0.8**	8.3	**1.3**	10.6
Operating income (loss)	**13.4**	3.3	**17.4**	(0.6)
Interest expense, net	**3.6**	7.8	**8.1**	15.8
Foreign exchange loss (gain)	**4.1**	(0.4)	**5.5**	(1.0)
Gain on sale of fixed assets	**-**	(0.4)	**-**	(0.4)
Income (loss) from continuing operations before income taxes	**5.7**	(3.7)	**3.8**	(15.0)
Provision for income taxes	**3.9**	2.3	**3.3**	2.6
Income (loss) before discontinued operations	**1.8**	(6.0)	**0.5**	(17.6)
Loss from discontinued operations	**(1.3)**	(2.0)	**(5.8)**	(5.0)
Net income (loss) for the period	**0.5**	(8.0)	**(5.3)**	(22.6)
Dividends on convertible preferred shares	**3.7**	-	**7.3**	-
Loss attributable to restricted voting shareholders	**(3.2)**	(8.0)	**(12.6)**	(22.6)
Basic and diluted loss per share				
From continuing operations	**($0.021)**	($0.066)	**($0.075)**	($0.194)
From discontinued operations	**($0.014)**	($0.022)	**($0.064)**	($0.055)
	($0.035)	($0.088)	**($0.139)**	($0.249)
Average number of shares outstanding during period - basic and diluted (in thousands)	**91,149**	90,633	**91,149**	90,629

Patheon Inc.

Consolidated Balance Sheets

(unaudited)

	As of April 30, 2009	As of October 31, 2008
(in millions of U.S. dollars)	**$**	$
Assets		
Current		
Cash and cash equivalents	**22.3**	20.2
Accounts receivable	**135.6**	141.6
Inventories	**76.6**	67.0
Prepaid expenses and other	**6.2**	7.8
Total current assets	**240.7**	236.6
Capital assets	**442.2**	428.5
Intangible assets	**3.9**	4.9
Future tax assets	**44.5**	35.9
Goodwill	**2.9**	2.9
Investments	**3.6**	1.7
Long-term assets held for sale	**1.9**	1.9
Total assets	**739.7**	712.4
Liabilities and shareholders' equity		
Current		
Bank indebtedness	**13.2**	9.0
Accounts payable and accrued liabilities	**158.4**	174.9
Income taxes payable	**2.1**	2.6
Current portion of long-term debt	**10.3**	10.2
Total current liabilities	**184.0**	196.7
Long-term debt	**228.6**	200.5
Deferred revenues	**23.0**	22.5
Future tax liabilities	**45.5**	39.1
Other long-term liabilities	**22.8**	16.4
Total liabilities	**503.9**	475.2
Shareholders' equity		
Convertible preferred shares	**156.5**	149.2
Restricted voting shares	**393.5**	393.5
Contributed surplus	**7.6**	6.7
Deficit	**(320.4)**	(309.3)
Accumulated other comprehensive loss	**(1.4)**	(2.9)
Total shareholders' equity	**235.8**	237.2
Total liabilities and shareholders' equity	**739.7**	712.4

Patheon Inc.
Consolidated Statements of Cash Flows
(unaudited)

	Three months ended April 30,		Six months ended April 30,	
	2009	2008	**2009**	2008
(in millions of U.S. dollars)	**$**	$	**$**	$
Operating activities				
Income (loss) from continuing operations	**1.8**	(6.0)	**0.5**	(17.6)
Add (deduct) charges to operations not requiring a current cash payment				
Depreciation and amortization	**10.0**	11.1	**19.9**	22.2
Foreign exchange loss on debt	**-**	0.8	**-**	2.8
Accreted interest on convertible preferred shares	-	3.8	-	7.4
Other non-cash interest	**0.2**	0.1	**0.3**	0.3
Change in other long-term liabilities	**0.5**	(1.0)	**(0.3)**	(1.6)
Future income taxes	**0.6**	(2.1)	**(2.8)**	(5.6)
Amortization of deferred revenues	**(0.2)**	(0.5)	**(0.3)**	(1.0)
Gain on sale of fixed assets	-	(0.4)	-	(0.4)
Stock-based compensation expense	**0.4**	0.6	**0.9**	1.5
Other	**(0.3)**	0.1	**(0.5)**	(0.1)
	13.0	6.5	**17.7**	7.9
Net change in non-cash working capital balances related to continuing operations	**(14.4)**	(13.9)	**(11.5)**	(14.1)
Increase in deferred revenues	**4.7**	1.5	**4.1**	1.5
Cash provided by (used in) operating activities of continuing operations	**3.3**	(5.9)	**10.3**	(4.7)
Cash used in operating activities of discontinued operations	**(3.3)**	(1.7)	**(6.6)**	(6.2)
Cash (used in) provided by operating activities	**-**	(7.6)	**3.7**	(10.9)
Investing activities				
Additions to capital assets	**(12.7)**	(10.7)	**(21.2)**	(18.9)
Proceeds on sale of capital assets	**-**	12.1	**-**	12.1
Net increase in investments	**(0.5)**	-	**(0.2)**	(0.4)
Cash (used in) provided by investing activities of continuing operations	**(13.2)**	1.4	**(21.4)**	(7.2)
Cash provided by investing activities of discontinued operations	**-**	2.2	**-**	10.4
Cash (used in) provided by investing activities	**(13.2)**	3.6	**(21.4)**	3.2
Financing activities				
Increase in bank indebtedness	**3.4**	6.8	**3.9**	8.1
Increase in long-term debt	**20.8**	4.2	**40.7**	15.9
Repayment of long-term debt	**(16.1)**	(8.6)	**(25.2)**	(15.6)
Cash provided by financing activities of continuing operations	**8.1**	2.4	**19.4**	8.4
Cash used in financing activities of discontinued operations	**-**	(0.1)	**-**	(0.2)
Cash provided by financing activities	**8.1**	2.3	**19.4**	8.2
Effect of exchange rate changes on cash and cash equivalents	**3.4**	0.2	**0.5**	(0.4)
Net (decrease) increase in cash and cash equivalents during the period	**(1.7)**	(1.4)	**2.1**	0.2
Cash and cash equivalents, beginning of period	**24.0**	32.2	**20.2**	30.6
Cash and cash equivalents, end of period	**22.3**	30.8	**22.3**	30.8