



**For Immediate Release**

**PATHEON INC. ANNOUNCES MANUFACTURING CONSOLIDATION IN PUERTO RICO**

*Company is committed to its long term growth strategy at its Manati, Puerto Rico plant*

**TORONTO, CANADA (December 10, 2009)** – Patheon (TSX: PTI), a global provider of drug development and manufacturing services to the international pharmaceutical industry announced today its plan to consolidate its Puerto Rico operations into its manufacturing site located in Manatí, and ultimately close or sell its plant in Caguas.

Commenting on the decision, Wes Wheeler, Chief Executive Officer and President of Patheon Inc., said, “We remain committed to growing our contract manufacturing business in Puerto Rico. We believe our customers continue to need a high quality and reliable supplier on the island. However, we have decided that it is not practical to operate two plants within close proximity of each other. We will consolidate our people, resources and investments at Manati and therefore concentrate on growing one ‘flagship’ site. We will work carefully with our customers, employees and authorities in Puerto Rico to affect a smooth and seamless transfer of existing products.”

“We are keenly aware that the closure of Caguas may impact many of our employees and their families. With this in mind, we are developing plans to offer affected Caguas employees available positions at our Manatí site. For those employees who are not able to be accommodated in Manatí, we will work to assist them in the transition,” added Wheeler.

“It is my biggest desire to be able to join municipal efforts to those of Patheon’s to drive economic growth in our city,” said Juan A. Cruz Manzano, Mayor of Manatí, Puerto Rico. “We will continue to work in support of the valued employers in our area.”

Luis Fortuño, Governor of Puerto Rico added, “We appreciate Patheon’s contribution to the continued economic growth of the northern most region of the island, as well as its efforts to maintain its operations as the sole provider in Puerto Rico of contract development and manufacturing services to the global pharmaceutical industry.”

The company estimates this consolidation will result in total repositioning expenses of approximately \$7.0 million, of which approximately \$2.4 million will be booked in the first quarter of fiscal 2010.

Patheon also expects to book an impairment charge of approximately \$1.3 million in the first quarter of fiscal 2010 in connection with the consolidation plan. The consolidation will be completed by the end of fiscal 2011, and will also result in accelerated depreciation of Caguas assets of approximately \$7.0 million during the 2010-2011 fiscal year period.

## **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 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.

Patheon’s integrated development and manufacturing network of 11 facilities and eight development centers, across North America and Europe, strives to ensure that customer products can be launched timely and confidently anywhere in the world.

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