

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>PATHEON PUERTO RICO, INC. RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1998</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1998</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1998</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>PATHEON PUERTO RICO, INC.</u> <u>P.O. BOX 31199</u> <u>MANATI, PR 00674-3119</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>66-0429210</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>787-746-8500</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>325410</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>66-0429210</u>	2c Sponsor's telephone number <u>787-746-8500</u>	2d Business code (see instructions) <u>325410</u>	
2b Employer Identification Number (EIN) <u>66-0429210</u>					
2c Sponsor's telephone number <u>787-746-8500</u>					
2d Business code (see instructions) <u>325410</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	<u>10/14/2013</u> Date	<u>CAROLINA RAMPOLLA</u> Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 841
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a 463	
b Retired or separated participants receiving benefits.....	6b 6	
c Other retired or separated participants entitled to future benefits.....	6c 339	
d Subtotal. Add lines 6a , 6b , and 6c	6d 808	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0	
f Total. Add lines 6d and 6e	6f 808	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 677	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 1	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 3C 2T		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan PATHEON PUERTO RICO, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
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C Plan sponsor's name as shown on line 2a of Form 5500 PATHEON PUERTO RICO, INC.	D Employer Identification Number (EIN) 66-0429210
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Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BENEFIT PLANS ADMIN SERVICES, INC.

16-1503696

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
JP MORGAN FUNDS 460 POLARIS PARKWAY
OH11235
COLUMBUS, OH 43082

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
INVESCO AIM FUNDS 11 GREENWAY PLAZA
SUITE 100
HOUSTON, TX 77046

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AMERICAN FUNDS SERVICE COMPANY 333 SOUTH HOPE STREET
LOS ANGELES, CA 90071

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FEDERATED SERVICES COMPANY

1001 LIBERTY AVENUE
PITTSBURGH, PA 15222-3779

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BENEFITS PLANS ADMIN SERVICES, INC.

16-1503696

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 37 49 60 63 64 99	NONE	5558	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

UBS TRUST COMPANY OF PUERTO RICO

66-0532499

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 26 28 33 49 52 63	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan PATHEON PUERTO RICO, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PATHEON PUERTO RICO, INC.	D Employer Identification Number (EIN) 66-0429210	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3978	10619
(2) Participant contributions	1b(2)	14326	3033
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	950992	1236985
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	4351565	5099676
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5320861	6350313

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	0	56640
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	56640

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5320861	6293673
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	163087	
(B) Participants	2a(1)(B)	554867	
(C) Others (including rollovers)	2a(1)(C)	285859	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1003813
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	125482	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		125482
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	452361	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		452361

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		33684
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1615340

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	636959	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		636959
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	5569	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		5569
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		642528

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		972812
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **RSM ROC & COMPANY**

(2) EIN: **66-0388756**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....		X	
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

UBS TRUST COMPANY OF PR

6b Trust's EIN

660532499

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>PATHEON PUERTO RICO, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PATHEON PUERTO RICO, INC.</u>	D Employer Identification Number (EIN) <u>66-0429210</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>66-0532499</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

RSM! ROC & Company

Certified Public Accountants & Consultants

Patheon Puerto Rico, Inc. Retirement Plan

(Formerly Mova Pharmaceutical Corporation Cash or
Deferred Arrangement Profit Sharing Plan)



Financial Statements

December 31, 2012 and 2011

RSM ROC & Company

Certified Public Accountants & Consultants

RSM ROC & Company
PO Box 10528
San Juan, PR 00922-0528
787.751.6164 F 787.759.7479
www.rocpr.net

INDEPENDENT AUDITORS' REPORT

To: The Plan Administrator of
Patheon Puerto Rico, Inc. Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Patheon Puerto Rico, Inc. Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Hand Benefits & Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental *Schedule H, Line 4i – Schedule of Assets (Held at End of Year)* and *Schedule H, Line 4a – Schedule of Delinquent Participant Contributions* as of or for the year ended December 31, 2012 are required by the United States Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

San Juan, Puerto Rico
October 8, 2013.



Stamp No. E83521 was affixed to
the original of this report .

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2012 and 2011

	2012	2011
ASSETS :		
Investments, at fair value	<u>\$ 6,336,661</u>	<u>\$ 5,302,557</u>
Receivables-		
Employer's contribution	10,619	3,978
Participants' contributions	<u>3,033</u>	<u>14,326</u>
	<u>13,652</u>	<u>18,304</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 6,350,313</u>	<u>\$ 5,320,861</u>

The accompanying notes are an integral part of these financial statements.

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS For the year ended December 31, 2012

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income-	
Net appreciation in fair value of investments	\$ 486,045
Interest and dividends	<u>125,482</u>
	<u>611,527</u>
Contributions-	
Participants	554,867
Employer	163,087
Rollovers	<u>285,859</u>
	<u>1,003,813</u>
	<u>1,615,340</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	580,319
Administrative expenses	<u>5,569</u>
	<u>585,888</u>

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,029,452
---	-----------

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>5,320,861</u>
End of year	<u>\$ 6,350,313</u>

The accompanying notes are an integral part of this financial statement.

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1) Plan Description:

The following brief description of Patheon Puerto Rico, Inc. Retirement Plan (formerly Mova Pharmaceutical Corporation Cash or Deferred Arrangement Profit Sharing Plan) (the Plan) is provided for general purposes only. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

- A) General – The Plan is a defined contribution plan and a non-domiciled US profit sharing plan, with cash or deferred arrangement (CODA), which is qualified under Section 1165(a) of the Puerto Rico Internal Revenue Code only. It is sponsored by a Puerto Rican employer and covers only Puerto Rican residents. The Plan covers all full-time employees of Patheon Puerto Rico, Inc. (the Employer, formerly Mova Pharmaceutical Corporation) who have three (3) or more months of service and are age twenty-one (21) or older. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan has changed its name from Mova Pharmaceutical Corporation Cash or Deferred Arrangement Profit Sharing Plan to Patheon Puerto Rico, Inc. Retirement Plan effective on August 1, 2011.

- B) Contributions – Represents amounts contributed to the participants' accounts as described below:

- i) Participant's contributions – Law No. 1 of January 31, 2011 Section 1081.01(d) of the Puerto Rico Internal Revenue Code established new annual contributions limits. Under this law, pre-tax contributions were limited to \$13,000 for the year ended December 31, 2012. The annual limits for plan years beginning in 2013 and thereafter, is \$15,000.
- ii) Employer's contributions – The Employer shall make a matching contribution up to 6 percent of participant compensation of the pre-tax contribution to the Plan on behalf of participants for each month during any Plan year as follows:

<u>Years of services</u>	<u>Hourly</u>	<u>Non hourly</u>
More than 15 years of service	\$ 0.60 per \$1.00	\$ 0.55 per \$1.00
More than 10 years but less than 15	\$ 0.50 per \$1.00	\$ 0.45 per \$1.00
More than 5 years but less than 10	\$ 0.35 per \$1.00	\$ 0.30 per \$1.00
More than 0 year but less than 5	\$ 0.30 per \$1.00	\$ 0.25 per \$1.00

The Employer may also make profit sharing contributions to the Plan on account of any Plan year, in one or more installments in an amount determined by the Employer on behalf of each participant who is an eligible employee of that Plan year and who has made either pre-tax or after-tax contributions during that Plan year. Employer's matching and profit sharing contributions may not exceed the maximum amount deductible from the Employer's income for that Plan year under section 1023(n) of the Internal Revenue Code of Puerto Rico of 1994 (PRIRC).

- iii) Rollover contributions – The Plan may receive from a participant any amount previously received by a participant from a qualified plan. The Plan may receive such amount either directly from the participant or from a qualified plan in a trust-to-trust transfer.

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

- C) Participant accounts – Each participant's account is credited with the participant's contribution and an allocation of (a) the Employer's contribution, (b) Plan earnings, and forfeitures of terminated participants' non-vested accounts.
- D) Vesting – Vesting in the participants' and the Employer's contributions plus earnings thereon is based on years of service. A participant is 100 percent vested after three years of credited service. Participants are immediately vested in their rollover contributions plus actual earnings thereon.
- E) Loans – Loans to participants from the Plan are not permitted.
- F) Investment options – Participants may decide how contributions allocated to them are invested among one or more of eight mutual funds. Any investment election may be changed on line and are effective in the next payroll period.
- G) Payments of benefits – All payment of benefits from the Plan are in form of a single lump sum payment. Distributions can be paid due to a participant's retirement, death, or termination of employment, subject to conditions stated in the Plan Agreement.
- H) Withdrawals during employment – As of any valuation date, the participant may elect to withdraw all or any portion of his/her after-tax contribution account and rollover contribution account. No withdrawal will be allowed by a participant from his/her pre-tax contribution account, employer profit sharing contribution account and employer matching contribution account.
- I) Hardship withdrawals – Participants may elect to make withdrawals from his/her pre-tax contribution account in the event of a financial hardship. It will be permitted only if the Plan Administrator or the Committee determines that a participant has an immediate and heavy financial need that a withdrawal from the Plan is necessary in order to satisfy such need in accordance with applicable regulations.
- J) Forfeited allocations – As of December 31, 2012 and 2011, forfeited non-vested accounts totaled \$2,681 and \$75, respectively. These accounts will be used to pay for Plan expenses and any remaining part to reduce future Employer matching contributions.
- K) Transfer of assets to other plans – Employees upon termination or resignation, or retirees upon retirement, may elect to transfer their account balance to other plans qualified by the Puerto Rico Treasury Department or by the U.S. Internal Revenue Service.

2) Summary of Significant Accounting Policies:

The most significant accounting policies followed by the Plan are summarized below:

- A) Basis of accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America under the accrual basis of accounting, in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employees Retirement Income Security Act of 1974.

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

- B) Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.
- C) Fair value measurements – ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

- D) Investments Valuation and Income recognition – The Plan's investments are stated at fair value based on quoted market prices. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recorded on the accrual method. The Plan presents in the statement of changes in net assets available for benefits the net appreciation or depreciation in the fair value of its investments, which consist of realized gains or losses and the unrealized appreciation or depreciation on those investments.
- E) Contributions – Employer and participants' contributions are recorded in the Plan year in which the Employer makes the payroll deductions.
- F) Benefits – Benefits payments to participants are recorded upon distribution.
- G) Administrative expenses – Are recorded when incurred.

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

3) Information Certified by the Trustee:

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by the trustee, Hand Benefits & Trust Company, except for comparing such information certified by the Trustee to the information included in the Plan's financial statements and supplemental schedules.

The following table presents the fair value of each of the participant-directed investments and related net appreciation or depreciation in fair value and interest and dividends that were certified by the trustee:

Description	December 31,	
	2012	2011
Mutual funds:		
American Funds Bond Fd Am A	\$ 1,642,321*	\$ 1,480,847*
Federated Prime Oblig SS	1,236,985*	950,992*
American Funds Inv Co Am A	1,128,403*	958,138*
American Funds Growth Fnd A	1,036,613*	827,135*
American Funds Europacific A	804,537*	653,873*
JP Morgan Mid Cap Value FD A	229,419	203,038
Invesco Mid-Cap Equity Fund	213,724	199,725
American Funds Am Balanced A	44,659	28,809
	<u>\$ 6,336,661</u>	<u>\$ 5,302,557</u>
Net appreciation in fair value of investments	<u>\$ 486,045</u>	
Interest and dividends	<u>\$ 125,482</u>	

* Investments that represent 5% or more of the Plan's net assets.

4) Fair Value Measurements:

As of December 31, 2012 and 2011, the fair values of the Plan's assets are as follows:

Description	Level	2012	2011
Balanced	1	\$ 44,659	\$ 827,135
Equities	1	3,412,696	2,994,575
Bonds	1	1,642,321	1,480,847
Stable value	1	1,236,985	-
		<u>\$ 6,336,661</u>	<u>\$ 5,302,557</u>

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

5) Tax Status:

The Plan is intended to be a tax qualified arrangement that complies with the provisions of the Employment Retirement Income Security Act of 1974, as amended, and with the Puerto Rico Internal Revenue Code (PRIRC) of 2011, as amended. A determination letter was issued by the Puerto Rico Department of the Treasury on September 8, 2003. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the PRIRC.

The Plan is not a qualified plan under Section 401(a) of the US Internal Revenue Code. The Plan is a non-domiciled US profit sharing Plan with a cash or deferred arrangement (CODA), which is qualified under Section 1081 of the Puerto Rico Internal Revenue Code only. It is sponsored by a Puerto Rican employer and covers only Puerto Rican residents.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination of taxing authorities. The Plan Administrator evaluated the tax positions taken by the Plan and concluded that the Plan as of December 31, 2012 and 2011, had maintained its tax exempt status and had taken no uncertain tax positions that would require adjustments or disclosures to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

6) Plan Termination:

Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provision of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

7) Party-In-Interest Transactions

Patheon Puerto Rico, Inc. is a party-in-interest, as defined by ERISA. There were no prohibited party-in-interest investments or transactions as of December 31, 2012 and 2011.

8) Reconciliation of Financial Statements to Form 5500:

The following is a reconciliation of net assets available for benefits per financial statements at December 31, 2012 and 2011 to Form 5500:

Description	2012	2011
Net assets available for benefits per financial statements	\$ 6,350,313	\$ 5,320,861
Amounts allocated to withdrawing participants	(56,640)	-
Net assets Available for Benefits per Form 5500	\$ 6,293,673	\$ 5,320,861

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

The following is a reconciliation of benefits paid to participants per financial statements for the year ended December 31, 2012, to Form 5500:

Description	Amount
Benefits paid to participants per financial statements	\$ 580,319
Plus: Amounts allocated to withdrawing participants at December 31, 2012	56,640
Less: Amounts allocated to withdrawing participants at December 31, 2011	-
Benefits paid to participants per Form 5500	<u>\$ 636,959</u>

9) Risk and Uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

10) Subsequent Events:

Subsequent to December 31, 2012, the Plan sponsor found that during years ended December 31, 2009 to 2012, it inadvertently failed to deposit approximately \$627,000 of participant contribution within the required timeframe as stated by the United States Department of Labor (DOL) regulations. Approximately \$110,000 of such late deposits corresponds to the year ended December 31, 2012. On May 17, 2013, the Employer deposited lost earning in the amount of \$841 to correct this failure in compliance with the DOL Employee Benefit Security Administration's Voluntary Fiduciary Correction Program.

The Plan Administrator has evaluated subsequent events through October 8, 2013, the date on which the financial statements were available to be issued.

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

ATTACHMENT TO FORM 5500

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2012

(a)	Identity of Issue, borrower, lessor, or similar party (b)	Description of Investment, including maturity date, rate or interest, collateral, and par or maturity value (c)	Cost (d)	Current Value (e)
	American Funds Bond Fd Am A	Value of Interest in Registered Investment (126,820.1918 shares)	**	\$ 1,642,321
	Federated Prime Oblig SS	Value of Interest in Registered Investment (1,236,984.9300 shares)	**	1,236,985
	American Funds Inv Co Am A	Value of Interest in Registered Investment (37,413.8874 shares)	**	1,128,403
	American Funds Growth Fnd A	Value of Interest in Registered Investment (30,177.9534 shares)	**	1,036,613
	American Funds Europacific A	Value of Interest in Registered Investment (19,518.1252 shares)	**	804,537
	Invesco Mid-Cap Equity Fund	Value of Interest in Registered Investment (10,001.1426 shares)	**	213,724
	JP Morgan Mid Cap Value FD A	Value of Interest in Registered Investment (8,237.3497 shares)	**	229,419
	American Funds Am Balanced A	Value of Interest in Registered Investment (2,189.1652 shares)	**	44,659
				<u>\$ 6,336,661</u>

** Cost is not required for participant-directed investments

Note: The above data was prepared from information certified as completed and accurate by Hand Benefits & Trust Company, the Custodian.

See accompanying independent auditors' report.

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

ATTACHMENT TO FORM 5500

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

For the year ended December 31, 2012

Participant contributions transferred late to the Plan				Total that Constitutes Nonexempt Prohibited Transactions			
Amount Withheld	Date Withheld	Date Remitted	Check Here if Late Participant Loan Repayments are Included	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions Pending Correction in Voluntary Fiduciary Correction Program	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
\$ 2,341	1/19/2012	1/26/2012		\$ -	\$ -	\$ -	2,341
2,419	2/2/2012	2/16/2012		-	-	-	2,419
13,129	2/19/2012	2/16/2012		-	-	-	13,129
2,354	2/9/2012	2/16/2012		-	-	-	2,354
13,212	2/23/2012	2/13/2012		-	-	-	13,212
2,311	2/23/2012	2/13/2012		-	-	-	2,311
2,205	3/1/2012	2/13/2012		-	-	-	2,205
2,345	3/15/2012	3/19/2012		-	-	-	2,345
2,344	3/29/2012	4/19/2012		-	-	-	2,344
2,285	4/12/2012	4/25/2012		-	-	-	2,285
2,357	4/26/2012	5/3/2012		-	-	-	2,357
2,332	5/10/2012	5/21/2012		-	-	-	2,332
2,352	5/24/2012	6/7/2012		-	-	-	2,352
16,051	5/31/2012	6/7/2012		-	-	-	16,051
2,403	5/31/2012	6/7/2012		-	-	-	2,403
16,186	5/31/2012	6/27/2012		-	-	-	16,186
							Continues ...

PATHEON PUERTO RICO, INC. RETIREMENT PLAN

ATTACHMENT TO FORM 5500 SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS For the year ended December 31, 2012

Total that Constitutes Nonexempt Prohibited Transactions										
Participant contributions transferred late to the Plan			Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions Pending Correction in Voluntary Fiduciary Correction Program	Total Fully Corrected Under Voluntary Fiduciary Correction Program (V FCP) and Prohibited Transaction Exemption 2002-51			
Amount Withheld	Date Withheld	Date Remitted								
Continued ...										
2,413	6/14/2012	6/27/2012	-	-	-	-	2,413			
16,267	6/20/2012	7/11/2012	-	-	-	-	16,267			
2,392	6/20/2012	7/11/2012	-	-	-	-	2,392			
2,541	7/19/2012	7/26/2012	-	-	-	-	2,541			
\$ 110,239			\$ -	\$ -	\$ -	\$ -	\$ 110,239			

See accompanying independent auditors' report.

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan:

► Patheon Puerto Rico, Inc. Retirement Plan

Employer Identification Number: ► 66-0429210

For plan year (beginning/ending): ► 01/01/2012-12/31/2012

Plan number: ► 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	American Funds AM Balanced A	Value of Interest in Registered Investment		44,659
	American Funds Bond Fund Am A	Value of Interest in Registered Investment		1,642,321
	American Funds Europacific A	Value of Interest in Registered Investment		804,537
	American Funds Growth Fund A	Value of Interest in Registered Investment		1,036,613
	American Funds Inv Co of Am A	Value of Interest in Registered Investment		1,128,403
	Federated Prime Oblig SS	Value of Interest in Registered Investment		1,236,985
	Invesco Mid-Cap Equity Fund	Value of Interest in Registered Investment		213,724
	JP Morgan Mid Cap Value Fund	Value of Interest in Registered Investment		229,419