BIOTIE THERAPIES CORP. FINANCIAL STATEMENT RELEASE 24 February 2012 at 9.00 a.m.

Biotie Therapies Corp. financial statement release 1 January - 31 December 2011

Key drivers of business progressed during 2011: internal pipeline expanded through acquisition of Synosia, partnered programs advanced towards commercialization, management team strengthened and additional cash resources secured.

Selincro™ (nalmefene) completed an extensive Phase 3 program during 2011, and in December Biotie's partner, Lundbeck, submitted a marketing authorization application (MAA) through the centralized procedure to the European Medicines Agency (EMA). The dossier has been accepted for review by the EMA.

In February, Biotie completed the acquisition of Synosia Therapeutics, a drug development specialist with operations in the US, broadening its pipeline and adding mid-stage novel CNS products. Progress with the newly expanded pipeline remained on track during integration of the companies and in April Biotie announced the start of a Phase 2b study with SYN115 in Parkinson's disease. In July, Biotie started a Phase 1 positron emission tomography (PET) imaging study with SYN120, a potential treatment for cognitive disorders, including Alzheimer's and schizophrenia. Results from an exploratory Phase 2a study of its HPPD inhibitor SYN118 in Parkinson's disease (PD) were reported in May. These data did not show a significant improvement in measures of PD motor function versus placebo and, in November, Biotie fully impaired the carrying value of this asset and UCB confirmed that it would not exercise its option to license the compound.

In March, Biotie raised EUR 27 million in a directed share issue to institutional and strategic investors, strengthening its financial position.

In September, Biotie proposed to acquire Newron Pharmaceuticals through a European Union cross-border merger. Shortly after this announcement, Merck Serono indicated that it would return to Newron the full global rights for safinamide, Newron's lead asset which is currently in Phase 3 development for Parkinson's disease. After reviewing this development, Biotie exercised its right to terminate the merger plan and combination agreement. As a result, Biotie was entitled to and consequently received a break-up fee of EUR 1.5 million from Newron.

In December, non-dilutive funding was secured through a Collaborative Research and Development Agreement with the National Institute on Drug Abuse (NIDA) at the US National Institutes of Health to investigate the safety and efficacy of nepicastat (SYN117) in the treatment of cocaine dependence.

Financial review for January – December 2011

Financial statements for January – December 2011 are not directly comparable to the same period in 2010 due to the Synosia Therapeutics acquisition and the consolidation of the new subsidiaries' results into the Biotie group's consolidated financial statements from the acquisition date of 1 February 2011 onwards.

Biotie corrected on July 28, 2011 the comparison figures of the interim report for the period of January - March 2010. The correction affected only the comparison figures for January - March 2010, it did not affect the figures reported for January - March 2011. The comparison figures for the period January – December 2010 have been classified according to IFRS 5.

EUR thousand	**1.1. – 31.12.2011 12 months**	**1.1. – 31.12.2010 12 months**
Continuing operations		
Revenues	1,007	1,955

Financial result (net loss):	-31,727*	-8,462
Basic earnings per share (EUR)	-0.09	-0.06
Cash flow from operating activities	-18,765	-7,856
Investments in tangible assets	65	270
	31.12.2011	**31.12.2010**
Liquid assets	33,938	4,059
Equity	73,337	-29,466
Equity ratio (%)	62.0	-263.0

*Financial result for 2011 was impacted by a non-cash impairment charge of EUR 11.7 million for SYN118.

Q4/2011 in brief:

In December, Lundbeck submitted a marketing authorization application (MAA) in the EU for Selincro™ (nalmefene).

In December, Biotie announced that the National Institute on Drug Abuse (NIDA) at the US National Institutes of Health will start a clinical study with Biotie's nepicastat (SYN117) in the treatment of cocaine dependence.

In December the Board of Directors of Biotie approved two new share-based incentive plans for the Group employees.

In November, Biotie announced that The Finnish Funding Agency for Technology and Innovation (Tekes) decided to forgive certain capital loans and accrued interest by altogether EUR 2.6 million.

In November, Biotie fully impaired the carrying value of SYN118 and confirmed that UCB would not exercise its option to license the compound.

Proposal and subsequent termination of agreement to acquire Newron Pharmaceuticals S.p.A.:

In September, Biotie proposed to acquire Newron Pharmaceuticals. Shortly after this announcement in October, Merck Serono indicated that it would return to Newron the full rights for safinamide, Newron's lead asset for Parkinson's disease. Biotie exercised its right to terminate the agreement and received a break-up fee of EUR 1.5 million from Newron.

Financial review Q4 2011:

Financial statements for Q4 2011 are not directly comparable to the same period in 2010 due to the Synosia Therapeutics acquisition and the consolidation of the new subsidiaries' results into the Biotie group's consolidated financial statements from the acquisition date of 1 February 2011 onwards.

EUR thousand **Continuing operations**	**1.10. – 31.12.2011 3 months**	**1.10.– 31.12.2010 3 months**
Revenues	30	473
Financial result (net loss):	-3,221	-2,449

Basic earnings per share (EUR)	-0.01	-0.02
Cash flow from operating activities	-4,437	-778

Timo Veromaa, Biotie's President and CEO:

"2011 was a great year for Biotie. Our partner Lundbeck submitted a marketing application in Europe for Selincro™ in alcohol dependence, bringing us closer to having our first product on the market, and we joined forces with Synosia, in a deal that strengthened our pipeline and added further expertise in CNS. The next 12-18 months have the potential to dramatically transform Biotie's business, as we eagerly await data on key pipeline drugs and look forward to the launch of Selincro™. Despite the challenging macroeconomic environment, Biotie is in a strong position and we are truly excited about the opportunities that lay ahead for our Company".

Key events after the reporting period

Panu Miettinen appointed Chief Financial Officer (CFO) of Biotie Therapies Corp., effective March 15, 2012. He will become a member of the Group's management team. Zack McNealy, interim CFO, will resume his prior duties as Vice President, Finance and Administration at the Group's U.S. subsidiary**.**

Outlook for 2012 and key pipeline newsflow

- **Selincro™ (nalmefene):** A novel opioid receptor ligand for alcohol dependence. A marketing authorization application (MAA) for Selincro™ was submitted by Biotie's partner Lundbeck in December and has been accepted for review by the European Medicines Agency (EMA). .

  Biotie has licensed global rights to nalmefene to Lundbeck. Under the terms of the agreement, Biotie is eligible for up to EUR 84 million in upfront and milestone payments plus royalties on sales from Lundbeck. Biotie has already received EUR 12 million from Lundbeck. Further milestone payments are expected on commercial launch of Selincro™ and on the product reaching certain predetermined sales.

- **Tozadenant (SYN115):** An orally administered, potent and selective inhibitor of the adenosine 2a (A2a) receptor in Phase 2b development for the treatment of Parkinson's disease. Biotie has granted a worldwide license to UCB Pharma for the development of the compound through Phase 3 trials and subsequent commercialization. Phase 2b ongoing (sponsored by Biotie) with results expected H1 2013.

- **SYN120**: An orally administered antagonist of the 5-HT_6 receptor in development for the treatment of Alzheimer's disease and other cognitive disorders, including schizophrenia. Roche has an option on the development and commercialization of SYN120 following an ongoing clinical imaging study using Positron Emission Tomography which is expected to complete in H1 2012.

- **Nepicastat (SYN117):** An orally administered, potent and selective inhibitor of the enzyme dopamine beta-hydroxylase (DBH). The compound is in a Phase 2 study, funded by the US Department of Defense, for the treatment of post-traumatic stress disorder (PTSD); results are expected in H2 2012.

  Biotie signed a Collaborative Research and Development Agreement with the National Institute on Drug Abuse (NIDA) at the US National Institutes of Health. Under the agreement, NIDA and Biotie will investigate the safety and efficacy of Biotie's nepicastat (SYN117) in the treatment of cocaine dependence. The trial is expected to start in H2 2012.

- **BTT-1023 (VAP-1 antibody):** A fully human antibody against vascular adhesion protein-1 (VAP-1). BTT-1023 has completed two Phase 1b studies in rheumatoid arthritis and psoriasis and Biotie expects to start proof-of-concept clinical studies in selected indications in H2 2012. Biotie has licensed the rights to develop and commercialize its VAP-1 antibody in Japan, Taiwan, Singapore, New Zealand and Australia to Seikagaku Corporation.

- **Ronomilast:** A small-molecule, phosphodiesterase-4 (PDE4) inhibitor in development for the treatment of chronic obstructive pulmonary disease (COPD). Biotie is seeking a partner for further development and commercialization of this product.

- **Nitisinone (SYN118)**. Biotie is evaluating the potential to out-license this compound.

Financial calendar 2012:

Financial Statements 2011 will be published March 8, 2012.

Biotie Therapies Corp. will publish its Corporate Governance Statement 2011 on March 8, 2012. The statement will be published separately from the Board of Directors' report and it will be available on Biotie's website www.biotie.com.

Interim report January - March	May 4, 2012
Interim Report for January – June	August 3, 2012
Interim Report for January – September	November 2, 2012

Biotie's Annual General Meeting will be held on March 29, 2012.

Conference call

An analyst and media conference call will take place on 24 February 2012 at 10:00 a.m. Central European Time. The conference call will be held in English.

Callers may access the conference call directly at the following telephone numbers: US: +1 646 254 3363 UK: +44(0)20 7136 2050 and Finland: +358(0)9 6937 9590 access code 4189166. Lines are to be reserved ten minutes before the start of conference call. The event can also be viewed as a live webcast at www.biotie.com. An on demand version of the conference will be published on Biotie's website later during the day. In case you need additional information or assistance, please contact: Virve Nurmi, IR Manager Biotie Therapies, Tel: +358 2 2748 911

About Biotie

Biotie is a specialized drug development company focused on the development of drugs for neurodegenerative and psychiatric disorders (e.g. Parkinson's disease, Alzheimer's disease and other cognitive disorders, alcohol and drug dependence (addiction) and post traumatic stress disorder), and inflammatory and fibrotic liver disease. The company has a strong and balanced development portfolio with several innovative small molecule and biological drug candidates at different stages of clinical development. Biotie's products address diseases with high unmet medical need and significant market potential.

Partnerships with top-tier pharmaceutical partners are in place for several programs as well as a strategic collaboration with UCB Pharma S.A. The Marketing Authorization Application for Biotie's most advanced

product, Selincro™ (nalmefene) for alcohol dependence was filed in the EU by our partner H. Lundbeck A/S and was accepted for review by the European Medicines Agency in December 2011.

Biotie shares are listed on NASDAQ OMX Helsinki Ltd.

Group structure: The parent company of the group is Biotie Therapies Corp. The domicile of the Company is Turku, Finland. The company has an operative subsidiary Biotie Therapies Inc, located in San Francisco, United States of America and a holding subsidiary, Biotie Therapies Holding AG, located in Basel, Switzerland, which has an operative subsidiary, Biotie Therapies AG, located in Basel, Switzerland.

The Group also has two non-operational subsidiaries named Biotie Therapies GmbH, located in Radebeul, Germany and Biotie Therapies International Ltd in Finland.

Drug development projects:

Selincro™ (nalmefene) is a small molecule opioid receptor antagonist that inhibits the reward pathway in the brain that reinforces the desire and craving for alcohol. As a result, nalmefene removes a person's desire to drink.

Biotie has licensed global rights to nalmefene to H. Lundbeck A/S (Lundbeck). Under the terms of the agreement, Biotie is eligible for up to EUR 84 million in upfront and milestone payments plus royalties on sales from Lundbeck. Biotie has already received EUR 12 million from Lundbeck. Further milestone payments are expected on commercial launch of nalmefene and on the product reaching certain predetermined sales. Lundbeck will be responsible for manufacturing and registration of the product.

Lundbeck announced in June the completion of ESENSE2, the last study in its Phase 3 program evaluating nalmefene for the treatment of alcohol dependence. Results from this 718 patient, double-blind, placebo controlled trial were consistent with the profile observed in previous clinical studies of nalmefene.

Lundbeck assessed a wide range of primary and secondary endpoints in its Phase 3 program for nalmefene including: number of heavy drinking days per month, total alcohol consumption, proportion of responders based on drinking measures, alcohol dependence symptoms and clinical status, liver function and other laboratory tests, pharmaco-economic outcomes and treatment discontinuation effects. All assessments were consistently in favour of nalmefene compared to placebo, though some were not statistically significant at every single time point. Overall, nalmefene reduced heavy drinking days and total alcohol consumption by more than 50% compared to pre-treatment baseline. The effect was observed during the first month of treatment and was maintained throughout the study period in the three trials.

Furthermore, data from the 12-month safety study (SENSE) confirmed that the treatment effect of nalmefene was maintained and even improved after 1 year of treatment. Approximately two-thirds of the individuals in the studies had previously not been treated for alcohol dependence, despite an ongoing affliction, indicating that reduction of alcohol intake represents an attractive treatment objective compared to current treatments which all require abstinence.

The safety profile of nalmefene was consistent with observations and data provided in earlier studies, including Biotie's previously completed Phase 3 program. The most frequent adverse events in patients taking nalmefene were dizziness, insomnia and nausea. These adverse events were usually mild and transient in nature. The three studies in the Lundbeck Phase 3 clinical program were conducted in Europe and enrolled about 2,000 individuals with alcohol dependence. Including the prior studies conducted by Biotie, the total clinical database now contains more than 3,000 patients with alcohol dependence.

In December, Biotie's partner Lundbeck submitted a marketing authorization application (MAA) through the centralized procedure to the European Medicines Agency (EMA) for nalmefene (Selincro™). The dossier has been accepted for review by the EMA.

Tozadenant (SYN115) is an orally bioavailable, potent and selective adenosine A2a receptor antagonist in development for Parkinson's disease (PD). Adenosine A2a inhibition with SYN115 has been shown in preclinical studies to reverse motor deficits and enhance the effect of current PD therapies, e.g. levodopa and dopamine agonists, without inducing troublesome dyskinesia (involuntary movements). In addition, SYN115 also displays activity in preclinical models on non-motor symptoms of PD including depression, impaired cognition and anxiety.

Biotie announced in April the start of a Phase 2b trial evaluating SYN115 in PD. The trial is a randomized, double-blind, placebo-controlled study that will evaluate four doses of SYN115 versus placebo as adjunctive therapy in 400 levodopa-treated PD patients with end of dose wearing off. In these patients, treatment with levodopa is insufficient to control PD symptoms until their next dose, resulting in an 'off' period when symptoms reappear. The aim of the trial is to determine the efficacy and safety of SYN115 in reducing the mean time spent in the 'off' state over a 12 week treatment period. The study will also assess the impact of SYN115 on various measures of motor symptom severity, dyskinesia and non-motor symptoms. Results from the Phase 2b trial are expected H1 2013.

Biotie has granted UCB Pharma S.A. a license for exclusive, worldwide rights to SYN115. UCB will be responsible for Phase 3 development and commercialization.

SYN120 is an orally bioavailable, potent and selective antagonist of the 5-HT_6 receptor. The 5-HT_6 receptors are exclusively located in the brain and antagonism of these receptors modulates the release of acetylcholine and glutamate, two neurotransmitters known to be involved with memory function. Cognitive deficits are an important component of many CNS diseases, especially Alzheimer's and schizophrenia. SYN120 has completed single and multiple ascending dose Phase 1 clinical studies and a Phase 1 PET ("positron emission tomography") imaging study is currently underway to determine therapeutic dose for subsequent Phase 2 studies. This trial is expected to conclude during H1 2012. The compound was originally licensed from Roche and Roche has an option to reacquire this program after the results of the ongoing study have been obtained.

BTT-1023 (VAP-1 antibody) Biotie has recently generated new data indicating that its proprietary target VAP-1, in addition to its clinically demonstrated role in inflammatory diseases, has an important role in fibrotic diseases. These data, generated in part in collaboration with National Institute for Health Research Liver Biomedical Research Unit at the University of Birmingham, UK, reveal significant potential for BTT-1023 in certain niche liver inflammatory fibrotic diseases. These data will be published at upcoming scientific and medical conferences and represent potentially new and exciting development opportunities for BTT-1023 in a range of conditions. Biotie is currently optimizing the scale-up of the manufacturing process for BTT-1023 and expects to start proof-of-concept clinical studies in selected indications in H2 2012. Biotie has previously demonstrated encouraging efficacy and safety for BTT-1023 in early clinical studies in rheumatoid arthritis and psoriasis patients and in a range of preclinical models of inflammatory diseases, including COPD and certain neurological conditions. The company will continue discussions with potential partners, outside Seikagaku's territory, for the indications targeting large markets

Nepicastat (SYN117) is a potent, competitive, and selective inhibitor of the enzyme dopamine beta-hydroxylase. The inhibition of this enzyme has been shown to raise dopamine levels in the central nervous system (CNS). Nepicastat is available as an oral treatment and has been well-tolerated in preclinical models at doses significantly above the expected therapeutic range for the current CNS indications under investigation. A Phase 2 study of nepicastat in post traumatic stress disorder (PTSD) is ongoing, funded by the US Department of Defense, and is expected to complete in H2 2012.

Biotie has signed a Collaborative Research and Development Agreement with the National Institute on Drug Abuse (NIDA) at the US National Institutes of Health. Under the agreement, NIDA and Biotie will investigate the safety and efficacy of nepicastat (SYN117) in the treatment *of* cocaine dependence. NIDA will fund the conduct of a randomized, double-blind placebo-controlled trial, lasting 11 weeks, in 180 treatment-seeking cocaine-dependent subjects using nepicastat supplied by Biotie. The study will be conducted at approximately 12 US clinics specializing in the treatment of drug dependence. The trial is expected to start in H2 2012.

Biotie and NIDA have previously collaborated on preclinical studies evaluating potential pharmacokinetic and pharmacodynamic interactions between nepicastat and drugs of abuse. Biotie retains rights to nepicastat and will be able to use data from studies conducted with NIDA to support future potential regulatory submissions.

Ronomilast is a once-daily, potentially best-in-class oral phosphodiesterase-4 (PDE4) inhibitor with therapeutic potential in chronic inflammatory disorders, particularly in chronic obstructive pulmonary disease (COPD), a serious respiratory disorder with major unmet medical need. In three clinical studies with a total of 126 subjects ronomilast has been demonstrated to be safe and well tolerated at all tested doses up to 100mg once daily. Robust and statistically highly significant biomarker responses confirmed the pharmacological activity of well tolerated doses of ronomilast in man. Due to the complexity and size of studies required for the development of medicines for the treatment of COPD, Biotie has decided that a corporate partnership is required to optimize the development path for ronomilast. The company will not invest in further clinical studies without a partner.

Nitisinone (SYN118)

Nitisinone SYN118 is a potent and selective inhibitor of 4-hydroxyphenylpyruvate dioxygenase (HPPD). Biotie announced in May 2011 the results from an exploratory Phase 2a study of its HPPD inhibitor SYN118 in Parkinson's disease (PD). These data did not show a significant improvement in measures of PD motor function when compared to placebo. SYN118 was subject to an option agreement with UCB as part of a broader partnership for the development of new treatments for neurological disorders. Biotie did not expect UCB to exercise its option to license the compound based on the results generated in the Phase 2a study and has fully impaired the balance sheet value of this asset. UCB subsequently confirmed that it would not exercise its option to license the compound for further development.

Financial review for reporting period January – December 2011

Financial statements for the period January-December 2011 are not directly comparable to the same period in 2010 due to the Synosia Therapeutics acquisition and the consolidation of the new subsidiaries' results into the Biotie group's consolidated financial statements from the acquisition date 1 February onwards.

Revenues: Revenues for the reporting period amounted to EUR 1.0 million (EUR 2.0 million in the same period in 2010). Revenues consisted of periodization of previously received upfront payments from licensing agreements.

Financial result: Net loss for the reporting period 2011 was EUR 31.7 million (EUR 8.5 million for continuing operations in the same period in 2010). This has been impacted by a non-cash impairment charge of EUR 11.7 million for SYN118. UCB confirmed it would not exercise its option to license the compound for further development.

Research and development costs for the reporting period amounted to EUR 35.3 million including the impairment of SYN118 (EUR 5.5 million in the same period in 2010, continuing operations). The increase in research and development costs and in net loss was due to the acquisition of Synosia. Total comprehensive income including the currency translation differences amounted to EUR -26.3 million (EUR -8.5 million in the same period 2010).

Discontinued operations were defined in the restructuring plan initiated in October 2010. The restructuring plan achieved the targeted annual savings of approximately EUR 4.0 million in 2011

Financing: Cash, cash equivalents and short term investments totaled EUR 33.9 million on 31 December 2011 (EUR 4.1 million on 31 December 2010). The groups' financial position was strengthened by a private placement of EUR 27 million in March 2011 and furthermore by the liquid assets of Synosia acquired in February 2011.

Biotie has a standby equity distribution agreement (SEDA) in place with US fund Yorkville. Yorkville is obliged to subscribe and pay for Biotie shares up to a total value of EUR 20 million during the period until September 2012 at Biotie's discretion (Biotie option). The purpose of this arrangement is to have an option to secure the financing of Biotie's working capital in the short and medium term. Biotie has made use of this arrangement in H2 2010 and raised a total amount of EUR 1.1 million and in 2011 Biotie did not exercise any shares under this agreement.

The Finnish Funding Agency for Technology and Innovation (Tekes) decided, based on an application from Biotie, that it would forgive certain capital loans relating to Biotie's bioheparin project that was discontinued in 2006. Biotie's justification for the application was that the Tekes funded R&D project did not lead to commercially profitable business.

The loan forgiveness reduced the group's non-current financial liabilities on the consolidated statement of financial position by EUR 2.2 million and increased financial income on the consolidated statement of comprehensive income by EUR 2.2 million in the full year financial statements for 2011. In addition, all accrued interest relating to these loans is also forgiven. This reduced other non-current liabilities on the consolidated statement of financial position by EUR 0.4 million and increased financial income on the consolidated statement of comprehensive income by EUR 0.4 million in the full year financial statements for 2011.

Shareholder's equity: The shareholders' equity of the group amounted to EUR 73.3 million (IFRS) on 31 December 2011. Biotie's equity ratio was 62.0% on 31 December 2011 (-263.0% on 31 December 2010). Equity was strengthened by the share issues related to Synosia acquisition as well as the private placement executed in Q1 2011.

Investments and cash flow*:* Cash flow from operating activities in January - December amounted to EUR -18.8 million for continuing operations (EUR -7.9 million in the same period in 2010) and EUR -2.4 million for discontinued operations (EUR -7.0 million in the same period in 2010). Operating cash outflow for continuing operations was EUR 10.9 million higher than in the same period in 2010 mainly due to the acquisition of Synosia. Cash flow for discontinued operations related to the restructuring plan and spin-off of Biotie's operations in Radebeul, Germany (now Biocrea GmbH) initiated in October 2010. No further cash out-flow related to the Biocrea spin-off is expected in the future.

The group's investments in tangible and intangible assets during the reporting period amounted to EUR 65 thousand (EUR 270 thousand in the same period in 2010).

Changes in the management team

Zack McNealy, Vice President, Finance of the group's US subsidiary assumed the role of acting Chief Financial Officer starting September 1, 2011.

After the reporting period Panu Miettinen appointed Chief Financial Officer (CFO) of Biotie Therapies Corp., effective March 15, 2012. He will become a member of the Group's management team.

Zack McNealy, interim CFO, will resume his prior duties as Vice President, Finance and Administration at the Group's U.S. subsidiary**.**

Personnel

During the reporting period January – December 2011, the average number of employees amounted to 39 (70 during January - December 2010) and at the end of the reporting period, after the restructuring in Q4 2010 and acquisition of Synosia in Q1 2011, Biotie employed 39 people (23 on 30 December 2010).

Option rights

Biotie has issued option rights to certain of its employees and managers pursuant to two different option programs in 2006 and 2009. Each option right granted based on these two option programs entitles the holder to subscribe one share in the company. The total number of granted options (programs 2006 and 2009) on December 31, 2011 amounted to (program 2006: 2,768,800 and 2009: 7,000,000) total 9,768,800, which represents 2.52% of the total amount of shares.

The option program instated in 2006 expired at the end of 2011.

The Swiss company Synosia Therapeutics Holding AG (currently Biotie Therapies Holding AG) acquired by Biotie in February 2011 also has a stock option plan based on which stock options have been granted to employees, directors and consultants. In connection with the completion of the acquisition of Synosia, the option plan was amended so that instead of shares in Synosia an aggregate maximum of 14,912,155 shares in Biotie may be subscribed based on the plan.

The Swiss subsidiary of Biotie Therapies Corp. Biotie Therapies Holding AG (previously Synosia Therapeutics Holding AG) conveyed as follows:

2,132,860 (reported in 6 June, 2011), 899,071 (reported in 5 July, 2011), 374,161 (reported in 3 August), 89,728 (reported in 2 September), 1,239,816 (reported in 2 December) and 137,152 (reported in 4 January 2012) a total of 4,872,788 Biotie shares against consideration pursuant to the option programs.

The conveyed shares previously held by the Company's subsidiary have not carried any voting rights. As a result of the conveyances, the total number of votes attached to Biotie's shares increased by 4,872,788 votes to 377,555,090 votes. The conveyance does not affect the number of registered shares (total of 387,594,457 shares) but the number of the Company's shares held by the Biotie Therapies group is reduced to 10,039,367 shares. The parent company Biotie does not own any treasury shares.

The total number of future subscription (Swiss option plan) on December 31, 2011 amounted to 9,759,192, which represents 2.52 % of the total amount of shares.

In December, The Board of Directors of Biotie approved two new share-based incentive plans for the Group employees; a stock option plan for mainly its European employees and an equity incentive plan for mainly its US employees. The plans are intended to form part of the incentive and commitment program for the employees. The incentives support the attainment of the targets established by the Company and the implementation of the Company's strategy, as well as the Company's long-term productivity.

Stock Option Plan 2011
The maximum total number of stock options issued is 7,401,000, and they entitle their owners to subscribe for a maximum total of 7,401,000 new shares in the company or existing shares held by the company. The Board of Directors will decide on the distribution of the stock options. The stock options will be issued at no cost. The stock options are divided into three (3) tranches, of which 2,467,000 will be marked as 2011A, 2,467,000 will be marked as 2011B and 2,467,000 will be marked as 2011C.

The number of shares subscribed by exercising stock options now issued corresponds to a maximum total of 1.87 per cent of the shares and votes in the company, if new shares are issued in the share subscription.

Equity Incentive Plan
The maximum number of share units to be granted and the number of corresponding shares to be delivered on the basis of the plan will be a total of 4,599,000 shares, which corresponds to 1.17 per cent of the shares and votes in the company, should new shares be delivered.

The Board of Directors approved in its meeting on 23 February 2012 that a total of 1,558,600 share unit awards are granted for 2011 under the company's equity incentive plan. Each granted share unit award entitles to one share in the company, subject to a vesting period of approximately two (2) years pursuant to the terms and conditions of the equity incentive plan. For 2012, a maximum of 2,020,000 share unit awards may be granted under the equity incentive plan.

Shares and options held by management

At the end of financial year 2011 the amount of company's shares held by the Board of Directors and the company's management and their controlled companies amounted to 2,994,570 shares and 8,425,082 option rights of which 750,000 options are conditional achieving certain set targets.

Share capital and shares

Biotie shares are all of the same class and have equal rights. Each share entitles the holder to one vote at the general meeting of shareholders. All shares are quoted on NASDAQ OMX Helsinki Ltd (Small cap). Since July, 2011 Biotie has been classified as Biotechnology, sector: Health Care (GICS - Global Industry Classification Standard) by MSCI (Morgan Stanley Capital International).

On 31 December 2011 the registered number of shares in Biotie Therapies Corp. was 387,594,457. Of these shares 10,039,367 were held by the company or its group companies. The registered share capital of Biotie was EUR 165,919,181.95.

Biotie has a standby equity distribution agreement (SEDA) in place with US fund Yorkville. Yorkville is obliged to subscribe and pay for Biotie shares up to a total value of EUR 20 million during the period until September 2012 at Biotie’s discretion (Biotie option). The purpose of this arrangement is to have an option to secure the financing of Biotie's working capital in the short and medium term. Biotie has made use of this arrangement in H2 2010 and raised a total amount of EUR 1.1 million and in 2011 Biotie did not conveyed any shares under this agreement.

Market capitalization and trading

At the end of the reporting period the share price was EUR 0.50 the highest price during the reporting period January – December 2011 EUR 0.82, the lowest was EUR 0.34, and the average price was EUR 0.58. Biotie's market capitalization at the end of the reporting period was EUR 193.8 million.

The trading volume on NASDAQ OMX Helsinki during the reporting period January – December was 243,335,806 shares, corresponding to a turnover of EUR 140,878,886

Changes in ownership

During the financial year 2011, Biotie made twelve announcements according to Chapter 2, Section 10 of the Finnish Securities Market Act.

Information on notices of changes in ownership and a monthly updated list of Biotie's major shareholders is available on the company's website at www.biotie.com/investors.

Ten largest shareholders of Biotie registered in the shareholders’ register maintained by Euroclear Finland Ltd on December 31, 2011

Finnish Innovation Fund (Sitra)	12,685,350	3.27 %
Ilmarinen Mutual Pension Insurance Company	12,536,932	3.23 %
Veritas pension Insurance Company	7,607,668	1.96 %
Jouhki and his controlled companies: - Thominvest Oy (2,937,900) - Dreadnought Finance (2,098,416) - Juha Jouhki (1,501,356)	6,537,672	1.69 %
Sijoitusrahasto Alfred Berg Finland	5,850,923	1.51 %
Finnish Industry Investment Ltd	2,757,893	0.71 %
Harri Markkula and his controlled companies -Harri Markkula (2,458,868) -Tilator Oy (114,700)	2,573,568	0.66 %
FIM Fenno Sijoitusrahasto	2,340,744	0.60 %
Alfred Berg Small Cap finland Fund	1,744,799	0.45 %
Sijoitusrahasto Alfred Berg Optimal	1,341,429	0.35 %
	55,976,978	*14.44 %*
Nominee registered shares total	***237,469 ,295***	***61.27 %***
Others	94,148 184	24.29 %
Number of shares, total	387,594,457	100.00 %

A subsidiary of Biotie Therapies Corp. owns 10,039,367 shares of the Company which do not carry any voting rights.

The parent company Biotie does not own any treasury shares

Shareholders' meetings

Extraordinary General meeting held on 1 February:

The stock exchange release regarding the resolutions of the Extraordinary General Meeting of Biotie Therapies Corp. was published on 1 February 2011.

Annual General Meeting was held on 6 May

The stock exchange release regarding the resolutions of the Annual General Meeting of Biotie Therapies Corp. was published on 6 May 2011.

Short-term risks and uncertainties

Biotie's strategic risks are predominantly related to the technical success of the drug development programs, regulatory issues, strategic decisions of its commercial partners, ability to obtain and maintain intellectual property rights for its products, launch of competitive products and the development of the sales of its products. The development and success of Biotie's products depends to a large extent on third parties. Any adverse

circumstance in relation to any of its R&D programs might impair the value of the asset and thus, represent a severe risk to the company. Such adverse events could happen on a short term notice and are not possible to foresee.

The key operational risks of Biotie's activities include the dependency on key personnel, assets (especially in relation to intellectual property rights) and dependency on its license partners' decisions.

Furthermore, significant financial resources are required to advance the drug development programs into commercialized pharmaceutical products. To fund the operations, Biotie relies on financing from two major sources: income from its license partners and raising equity financing in the capital markets.

The company relies on capital markets to raise equity financing from time to time. There can be no assurance that sufficient funds can be secured in order to permit the company to carry out its planned activities. Current capital market conditions are very volatile. While in March 2011 the company was able to raise a significant amount of cash from a share issue to fund its operations in the mid-term future, there can be no assurance that the company can secure equity financing in the future if and when it needs it.

Although Biotie has currently active license agreements in place, the termination of any such agreement would have a negative effect on the short to medium term access to liquidity for the company. While income generated from commercial agreements with third parties relating to its clinical programs might significantly improve Biotie's financial position, a forecast on possible income from future licensing arrangements cannot be provided reliably. Therefore it is possible that Biotie will need to secure additional financing from share issues in the future.

The group can influence the amount of capital used in its operations by adapting its cost base according to the financing available. The restructuring measures announced in Q4 2010 highlight such an approach. Management monitors the capital and liquidity on the basis of the amount of equity and cash funds. These are reported to the Board on a monthly basis.

The Board of Directors proposal for handling of the loss

The Board of Directors proposes that no dividend from the financial year 2011 will be paid, and that the loss of the parent company for the financial year EUR 44.9 million (FAS) will be carried forward to shareholders' equity.

Annual General Meeting

Biotie's annual General Meeting will be held at the auditorium of Mauno Koivisto Centre in Turku on Thursday, March 29, 2012 at 10.00 a.m.

IFRS and accounting principles

The 2011 financial statements has been prepared in accordance with IFRS recognition and measurement principles, and applying the same accounting policies as for the 2010 financial statements. The financial statement release has not been prepared in accordance with IAS 34, Interim Financial Reporting.

In addition, as a result of the acquisition of Synosia Therapeutics, Biotie has applied the following principle beginning with the Q1 2011 financial statements:

The results and financial position of all the group entities that have a currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

b) Income and expenses for each income statement are translated at average exchange rates.

c) All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of inter-company borrowings that are considered of being part of the net investment, are taken to other comprehensive income. When a foreign operation is disposed of or sold (either partially or as a whole), exchange differences that were recorded in equity are recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

This financial statement report is unaudited.

Turku, 24 February 2012

Biotie Therapies Corp.
Board of Directors

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR 1,000	1.10.-31.12.2011 3 months	1.10.-31.12.2010 3 months	1.1.-31.12.2011 12 months	1.1.-31.12.2010 12 months
Continuing operations				
Revenue	30	473	1,007	1,955
Research and development expenses	-5,614	-1,157	-35,315	-5,538
General and administrative expenses	-2,833	-1,504	-9,721	-4,216
Other operating income	1,728	41	2,518	166
Operating profit/loss	-6,688	-2,147	-41,510	-7,633
Financial income	2,791	12	3,160	101
Financial expenses	308	-314	-1,132	-930
Profit/loss before taxes	-3,528	-2,449	-39,482	-8,462
Taxes	368	0	7,755	0
Net income/loss, continuing operations	-3,221	-2,449	-31,727	-8,462
Net income/loss, discontinued operations	0	-6,111	0	-13,111
Net income/loss	-3,221	-8,560	-31,727	-21,573
Other comprehensive income:				
Currency translation differences	1,743	0	5,449	0
Total comprehensive income of the period	-1,478	-8,560	-26,278	-21,573
Net income/loss				

attributable to				
Parent company shareholders	-3,221	-8,560	-31,727	-21,573
Total comprehensive income attributable to:				
Parent company shareholders	-1,478	-8,560	-26,278	-21,573
Earnings per share (EPS) basic & diluted, EUR, continuing operations	-0.01	-0.02	-0.09	-0.06
Earnings per share (EPS) basic & diluted, EUR, discontinued operations	-	-0.04	-	-0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IFRS) EUR 1,000

	31.12.2011	31.12.2010
Assets		
Non-current assets		
Intangible assets	75,206	4,042
Goodwill	5,549	0
Property, plant and equipment	305	365
Investment property	1,376	1,468
Other shares	10	10
	82,446	**5,885**
Current assets		
Available for sale investment	0	0
Investments held to maturity	16,000	0
Accounts receivables and other receivables	1,852	1,261
Financial assets at fair value through profit or loss	169	0
Cash and cash equivalents	17,769	4,059
	35,790	**5,320**
Total	**118,236**	**11,205**
Equity and liabilities		
Shareholders' equity		
Share capital	166,446	43,378
Share issue	0	500
Reserve for invested unrestricted equity	4,657	1,180

Cumulative translation adjustment	5,449	0
Retained earnings	-71,488	-52,951
Net income/loss	-31,727	-21,573
Shareholders' equity total	**73,337**	**-29,466**
Non-current liabilities		
Provisions	0	0
Non-current financial liabilities	23,492	25,640
Pension benefit obligation	435	430
Other non-current liabilities	7,804	7,442
Non-current deferred revenues	246	368
Deferred tax liabilities	2,619	0
	34,596	**33,880**
Current liabilities		
Provisions	566	589
Pension benefit obligation	16	16
Current financial liabilities	116	144
Current deferred revenues	120	1,006
Accounts payable and other current liabilities	9,485	2,637
Liability related to discontinued operations	0	2,400
	10,303	**6,791**
Liabilities total	**44,899**	**40,671**
Total	**118,236**	**11,205**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Attributable to equity holders of the parent company

EUR 1,000	Shares (1000 pcs)	Share Capital	Share issue	Reserve for invested un-restricted equity	Own Shares	Retained Earnings	Share-holders' equity total
BALANCE AT 1.1.2010	158,753	43,057	0	1,180	-15	-53,160	-8,938
Total comprehensive income for the period						-21,573	-21,573
Options granted						108	108
SEDA costs						116	116
Share issue to the company itself without consideration	17,251						0
Directed issue of treasury shares		550	500				1,050
Cost of share issue		-229					-229
	17,251	321	500	0	0	-21,349	-20,528
BALANCE AT 31.12.2010	176,004	43,378	500	1,180	-15	-74,509	-29,466
Total comprehensive income for the period						-26,278	-26,278
Options granted				2,662		3,037	5,699
Options exercised				815			815
Directed issue of treasury shares		500	-500				0
Directed issues of new shares	211,590	115,892					115,892
Directed offer of treasury shares		7,964					7,964
Cost of share issue		-1,289					-1,289
	211,590	123,068	-500	3,477	0	-23,242	102,803
BALANCE AT 31.12.2011	387,594	166,446	0	4,657	-15	-97,751	73,337

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.-31.12.2011 12 months	1.1.-31.12.2010 12 months
Cash flow from operating activities		
Continuing operations		
Net income/loss	-31,727	-8,462
Adjustments:		
Non-cash transactions	20,663	-1,287
Interest and other financial expenses	1,132	930
Interest income	-3,160	-101
Foreign exchange losses/gains on operating activities	-124	0
Taxes	-7,786	0
Change in working capital:		
Change in accounts receivables and other receivables	1,164	626
Change in accounts payable and other liabilities	1,131	436
Change in mandatory provisions	-23	-25
Interests paid	-42	-42
Interests received	0	68
Taxes paid	6	0
Net cash from operating activities, continuing operations	**-18,765**	**-7,856**
Net cash from operating activities, discontinued operations	**-2,400**	**-7,011**
Net cash from operating activities	**-21,165**	**-14,867**
Cash flow from investing activities		
Continuing operations		
Acquisition of subsidiary, net of cash acquired	16,339	0
Change in financial assets at fair value through profit or		

loss		
Additions	0	0
Disposals	6,653	8,886
Change in investments held to maturity		
Additions	-26,000	0
Disposals	10,000	0
Interests from investments held to maturity	78	0
Investments to tangible assets	-63	-54
Investments to intangible assets	-2	0
Net cash used in investing activities, continuing operations	**7,005**	**8,832**
Net cash used in investing activities, discontinued operations	**0**	**-1,587**
Net cash used in investing activities	**7,005**	**7,245**
Cash flow from financing activities		
Continuing operations		
Payments from share issue	27,803	1,050
Share issue costs	-1,190	-229
Proceeds from borrowings	226	6
Repayment of loans	-40	-40
Repayment of lease commitments	0	-177
Net cash from financing activities, continuing operations	**26,799**	**610**
Net cash from financing activities, discontinued operations	**0**	**180**
Net cash from financing activities	**26,799**	**791**
Net increase (+) or decrease (-) in cash and cash equivalents	12,639	-6,832
Effect on changes in exchange rates on cash and cash	1,071	0

equivalents		
Cash and cash equivalents at the beginning of the period	4,059	10,891
Cash and cash equivalents at the end of the period	17,769	4,059

ACQUISITION OF SYNOSIA THERAPEUTICS HOLDING AG

Biotie acquired Synosia Therapeutics Holding AG (”Synosia”) on February 2011. Today, Synosia is a wholly-owned subsidiary of Biotie and is consolidated into Biotie’s consolidated financial statements from the acquisition date onwards. Notes required by IFRS3 Business combinations have been presented in Q1 2011 interim report released May 13, 2011.

SYNOSIA OPTION PLAN

As a result of the combination agreement signed with Synosia Therapeutics Holding AG Biotie Therapies Corp. has issued 14,912,155 shares as a bonus issue to its subsidiary Biotie Therapies Holding AG to be held in treasury and to be used to satisfy exercise of Biotie Therapies Holding AG (formerly Synosia Therapeutics Holding AG) options in accordance with the existing Biotie Therapies Holding AG option plans.

The option plan has been described more in detail in Q1 2011 interim report released May 13, 2011.

The following table provides information on the number and pricing of options at December 31, 2011

	Amount	**Weighted average exercise price**
Options exercised	4,872,788	0.17
Options outstanding	9,759,192	0.22
Options exercisable	7,651,645	0.18

CONTINGENT LIABILITIES

EUR 1,000	**31.12.2011**	**31.12.2010**
Operating lease commitments	**156**	**159**
Due within a year	101	70
Due later	55	88
Rent commitments	**377**	**243**
Due within a year	247	243

Due later	130	0
Total	**533**	**402**

The Group leases motor vehicles, machines and equipment with leases of 3 to 5 years. Rent commitments include subleased Pharmacity premises until 30 November 2011.

Commitments

On 31 December 2011 Biotie had purchase commitments, primarily for contract research work services, totaling EUR 11.9 million.

TRANSACTIONS WITH RELATED PARTIES

There have not been major changes within the related party transactions in 2011.

KEY FIGURES

The formulas for the calculation of the key figures are presented in the notes of the consolidated financial statements 2011

Incl. both continuing and discontinued operations	**1.1.-31.12.2011**	**1.1.-31.12.2010**	**1.1.-31.12.2009**
EUR 1,000	**12 months**	**12 months**	**12 month**
Business development			
Revenues	1,007	2,928	5,628
Personnel on average	39	70	81
Personnel at the end of period	39	23	82
Research and development costs	35,315	12,229	21,109
Capital expenditure	65	270	475
Profitability			
Operating profit/loss	-41,510	-20,720	-17,631
as percentage of revenues, %	-4,122.14	-707.65	-313.27
Profit/loss before taxes	-39,482	-21,573	-17,942
as percentage of revenues, %	-3,920.75	-736.78	-318.80
Balance sheet			
Liquid assets	33,769	4,059	19,744
Shareholders' equity	73,337	-29,466	-8,938
Balance sheet total	118,236	11,205	31,526
Financial ratios			
Return on equity, %	-	-	-
Return on capital employed, %	-82.8	-341.5	-86.0

Equity ratio, %	62.0	-263.0	-28.4
Gearing, %	-14.1	-73.7	-67.9
Per share data			
Earnings per share (EPS) basic, EUR	-0.09	-0.15	-0.11
Earnings per share (EPS) diluted, EUR	-0.09	-0.15	-0.11
Shareholders' equity per share,€	0.19	-0.17	-0.06
Dividend per share, EUR	-	-	-
Pay-out ratio, %	-	-	-
Effective dividend yield, %	-	-	-
P/E-ratio	-	-	-
Share price			
Lowest share price, EUR	0.34	0.30	0.23
Highest share price, EUR	0.82	0.65	0.67
Average share price, EUR	0.58	0.48	0.42
End of period share price, EUR	0.50	0.50	0.55
Market capitalization at the end of period MEUR	193.8	88.0	87.3
Trading of shares			
Number of shares traded	243,335,806	90,049,678	51,471,584
As percentage of all	62.8	51.2	32.4
Adjusted weighted average number of shares during the period	365,219,028	161,919,250	144,992,735
Adjusted number of shares at the end of the period	387,594,457	176,003,931	158,752,560