BIOTIE THERAPIES CORP. STOCK EXCHANGE RELEASE March 27, 2009 at 8.30 a.m.

BIOTIE THERAPIES CORP. FINANCIAL STATEMENT RELEASE JANUARY 1 – DECEMBER 31, 2008

The year 2008 in brief

- In January Lundbeck acquired the United Kingdom and Ireland rights for Nalmefene from Britannia Pharmaceuticals.

- In June Biotie announced top-line data from the first-in-man clinical study with its fully human VAP-1 monoclonal antibody.

- In September top-line data were released of the clinical trial with Nalmefene evaluating potential cardiac effects.

- In November Biotie acquired the pharmaceutical discovery and development company elbion GmbH.

- In November Lundbeck initiated three phase III clinical trials with Nalmefene for the treatment of alcohol dependence.

- The net loss in January – December stood at EUR 5.5 million (net loss in 2007 EUR 1.7 million). Cash flow in January – December from operating activities was EUR –9.4 million (EUR –5.3 million in 2007).

- Revenue for January – December stood at EUR 5.1 million (EUR 7.9 million in 2007) and earnings per share was EUR –0.06 (EUR -0.02 in 2007).

- The company’s liquid assets amounted to EUR 25.2 million as at December 31, 2008 (EUR 28.2 million as at December 31, 2007).

Events after 2008

- In February and March 2009 Biotie started clinical studies in rheumatoid arthritis and psoriasis patients, respectively, with its fully human VAP-1 monoclonal antibody

- In March 2009 Lundbeck acquired the North-American and Mexican rights for Nalmefene from Somaxon Pharmaceuticals. Following this, Lundbeck has worldwide rights for Nalmefene, excluding Turkey and South-Korea.

Annual General Meeting

Biotie´s Annual General Meeting will be held at the auditorium of Restaurant Alabama in Turku on Friday, May 29, 2009 at 10.00 a.m.

Financial Statements 2008

The Financial Statements 2008 will be published on March 27, 2009.

IFRS and Accounting principles

The 2008 financial statement release has been prepared in accordance with IFRS recognition and measurement principles, and applying the same accounting policy as for the 2007 financial statements. The financial statement does not comply with all requirements of IAS 34, Interim Financial Reporting. The figures presented in this financial statement release have been audited.

Q4/2008 in brief:

- Biotie acquired the pharmaceutical discovery and development company elbion GmbH in November against issuing 46,802,967 new shares as consideration.

- Biotie offered 7,305,733 new shares for certain investors' subscription for a total of EUR 3.3 million. New shares were registered on 17 November 2008.

- Lundbeck initiated three phase III clinical trials with Nalmefene for the treatment of alcohol dependence in November.

- The net loss in October – December, 2008 stood at EUR 1.7 million (net loss for the comparable period in 2007 EUR 2.4 million). Cash flow in October - December from operating activities was EUR -1.5 million (EUR -1.2 million during the comparable period in 2007).

- Revenue for October – December, 2008 stood at EUR 1.2 million (EUR 1.2 million in comparable period in 2007) and earnings per share was EUR -0.01 (EUR -0.03 in the fourth quarter 2007).

Review of the financial year

General:

Biotie is a drug discovery and development company focused on central nervous system and inflammatory diseases. It has a broad range of innovative small molecule and biological drug candidates at different stages of clinical and pre-clinical development.

Biotie's products address diseases with high unmet medical need and significant market potential, including addiction and psychotic disorders, rheumatoid arthritis, psoriasis and chronic obstructive pulmonary disease (COPD). The most advanced product, Nalmefene for alcohol dependence, is currently in phase III clinical development by licensing partner Lundbeck.

In November 2008, Biotie acquired Radebeul, Germany based drug discovery and development company elbion GmbH through issuance of new shares to its previous owner, elbion NV of Leuven, Belgium. Subsequently, the newly acquired subsidiary was renamed into Biotie Therapies GmbH. Concomitantly, certain investors of elbion NV subscribed to a share offer by Biotie, by which EUR 3.3 million fresh capital were raised.

Together, the combined entity has a broad range of innovative therapeutic products for the treatment of inflammatory and CNS diseases. Biotie has operations in Turku, Finland and Radebeul, Germany.

Drug development projects:

Central nervous system diseases:

Nalmefene, a new treatment paradigm for alcohol dependence

Biotie's Nalmefene is an oral opioid receptor antagonist that is being developed for the treatment of alcohol dependence.

Nalmefene builds on a novel principle of treating alcohol dependence. Unlike existing therapies, the treatment with Nalmefene is not aimed at keeping the

patients from drinking. Nalmefene instead removes the desire to drink more, thereby controlling and limiting the intake of alcohol. In addition, Nalmefene distinguishes itself by being available as a tablet formulation to be taken only according to need, whereas existing pharmaceuticals must be taken continuously over a longer period of time.

Biotie and Lundbeck signed a licensing agreement at the end of 2006 on worldwide rights for Nalmefene, excluding North America, Mexico, UK, Ireland, Turkey, and South Korea which had already been licensed. This license agreement entered into force in May 2007. In the beginning of 2008, UK and Ireland rights were acquired by Lundbeck from Britannia Pharmaceuticals and after the reporting period in March 2009 Lundbeck acquired the North-American and Mexican rights from Somaxon Pharmaceuticals. Following this, Lundbeck has worldwide rights for Nalmefene, excluding Turkey and South-Korea. Biotie-Lundbeck license agreement terms have been amended due to the transfer of rights. Under the terms of the amended agreement, Biotie is now eligible for up to EUR 84 million in upfront and milestone payments plus royalty on sales. Of the EUR 84 million, Biotie has already received an execution fee of EUR 12 million from Lundbeck.

Marketing and distribution rights in Turkey and South Korea have been licensed to Eczacibasi Ilac Pazarlama A.S., and Whanin Pharmaceutical Co. Ltd., respectively.

Biotie’s previously conducted study in 400 alcoholic patients documented Nalmefene’s ability to significantly limit both the patient’s average alcohol intake and the number of days with an intake above five units of alcohol. Previous trials have also shown Nalmefene to be well-tolerated and safe.

In September top-line data were released of the clinical trial with Nalmefene evaluating potential cardiac effects on 240 healthy volunteers measured using an electrocardiogram. The data from the study indicate that use of Nalmefene does not increase the risk of adverse cardiac effects and that current regulatory requirements for such studies are met.

Based on the earlier Biotie-sponsored trials, Lundbeck in the end of 2008 launched three phase III trials, which will enroll more than 1,800 patients to be randomised into groups receiving Nalmefene or placebo. The first two trials, in which patients are treated over a period of six months, primarily aim to demonstrate the efficacy of Nalmefene, whilst the objective of the last study, in which patients are treated for 12 months, is particularly to confirm that the compound is well-tolerated. The first data from the trials are expected in the first half of 2011. Biotie will participate in financing some of the clinical development costs.

Buprenorphine Depot

Buprenorphine is the most widely used drug for substitution therapy of opioid-addicted patients. Biotie’s portfolio includes a depot formulation Buprenorphine product development project. The goal is to produce a once-monthly Buprenorphine injection, which aims to provide a more effective way to treat opioid dependence than that currently available from existing oral Buprenorphine or other products. The project is currently in the preclinical phase of development.

Phosphodiesterase 10 (PDE10) inhibitors, a novel treatment paradigm for Schizophrenia

PDE10 is a novel molecular drug target in schizophrenia and Biotie has shown antipsychotic activity of PDE10 inhibitors in animal models. Biotie’s PDE10 inhibitors are believed to serve the unmet medical need for novel anti-psychotic drugs with an improved side effect profile and improved efficacy in schizophrenia.

The PDE10 discovery and development program was partnered with Wyeth Pharmaceuticals in December 2006. On the basis of a Research Collaboration and License Agreement between Biotie and Wyeth Pharmaceuticals, scientists of both companies work closely together to profile and develop novel drug candidates.

In total, Biotie is eligible to - depending on the progress of the development candidates - up to USD 110 million in signing fee, milestone payments and research funding. Biotie will in addition be eligible for royalties on sales.

Inflammatory diseases:

ELB353, an oral PDE4 inhibitor for COPD in clinical development

ELB353 is a phosphodiesterase 4 (PDE4) inhibitor, with therapeutic potential in chronic inflammatory disorders, particularly in chronic obstructive pulmonary disease (COPD), a serious disorder with major unmet medical need.

In preclinical testing, ELB353 is a potent disease modifier in animal models of COPD, asthma, psoriasis, atopic dermatitis, rhinitis, rheumatoid arthritis. More importantly, when compared to certain other PDE4 inhibitors in late clinical development, ELB353 treatment was well tolerated with respect to central nervous system and gastrointestinal side effects, which have posed a significant development hurdle for PDE4 inhibitors until now.

In its first Phase I study, ELB353 was found to be safe and well tolerated after single and multiple dosing and no severe, significant or serious adverse events occurred. Blood plasma profiles of ELB353 showed pronounced and long lasting exposure both after single and multiple doses. The long terminal half life after multiple dosing indicates an excellent suitability for once daily dosing.

VAP-1, a key inflammation receptor

Vascular Adhesion Protein-1 (VAP-1) is Biotie’s proprietary target and is protected by patents held by the company. VAP-1 has been shown to play a key role in mediating the inflammatory events associated with chronic diseases such as rheumatoid arthritis, psoriasis and diabetes. Blocking VAP-1 function is expected to alleviate inflammatory conditions associated with these and, potentially, other chronic inflammatory diseases for which there is a clear unmet medical need.

VAP-1 function can be blocked by either antibody (biologic) drugs or small molecule drugs which target the enzyme (SSAO) domain of the receptor. Both these approaches are being pursued by Biotie for different therapeutic indications.

VAP-1 antibody, a high value biologic for inflammatory diseases in clinical development

Biotie is developing a fully human monoclonal antibody which blocks VAP-1 function thereby allowing the inflammation to resolve. Biotie completed the first-in-man, single dose, placebo-controlled clinical study with the VAP-1 antibody in the second quarter of 2008. A total of 29 subjects received the antibody which was generally well tolerated. No serious adverse events were reported.

Development activity to support the clinical program continued throughout the year and after the reporting period in February and March 2009 Biotie started multiple dose clinical studies in rheumatoid arthritis and psoriasis patients, respectively, with its fully human VAP-1 monoclonal antibody. These studies aim to

establish appropriate dosing regimens for subsequent therapeutic studies and provide initial information on the antibody´s therapeutic potential.

The Finnish Funding Agency for Technology and Innovation (Tekes) granted EUR 0.6 million additional funding for the VAP-1 antibody program in September 2008. The R&D funding granted covers costs of a planned clinical PET-imaging study project from August 2008 to December 2009. The funding granted is in the form of a loan and covers 70 per cent of the costs of the study. The loan will be paid to Biotie against reported realized costs. In order to receive the full amount of granted financing, Biotie must show a total expenditure of EUR 0.8 million in the project.

Biotie and Roche have signed an option agreement for Biotie’s fully human antibody program targeting VAP-1 in inflammatory diseases in 2006. Roche has paid Biotie EUR 5 million, which grants Roche an exclusive option right to an exclusive, worldwide license agreement for Biotie’s VAP-1 antibody, excluding Japan, Taiwan, Singapore, New Zealand, and Australia. The initial option right will end upon completion of phase I.

Seikagaku Corporation has licensed the rights for the product for Japan, Taiwan, Singapore, New Zealand, and Australia against up to USD 16.7 million in milestone payments plus royalties of sales in the territory. Biotie has already received USD 2.7 million from Seikagaku.

Research

VAP-1 SSAO inhibitors

Biotie and Roche collaborate to develop small molecule VAP-1 SSAO inhibitors to Roche specifications. Under the terms of the collaboration, both parties carry their own costs, but Biotie retains ownership of the developed compounds until Roche chooses to exercise its option for in-licensing. Under the terms of the collaboration and option agreement, Roche may pay Biotie up to EUR 5 million to maintain its exclusive option for rest-of-world rights excluding Seikagaku’s territory (Japan, Taiwan, Singapore, New Zealand and Australia).

Seikagaku has an option to license a VAP-1 enzyme inhibitor in this territory. If Seikagaku exercises its option, Biotie will receive up to USD 16.7 million in milestone payments plus royalties of sales in the territory based on the pre-negotiated licensing agreement. Seikagaku will also be responsible for clinical development costs to bring the product to market in the territory.

Novel phosphodiesterase (PDE) inhibitors for the treatment of central nervous system diseases

Biotie has discovered new small molecule PDE inhibitors that show pronounced activity in animal models of memory enhancement, anxiety and depression. Biotie is profiling these compounds with respect to their therapeutic potential and as candidate drugs.

alfa2beta1 integrin inhibitors have potential in thrombosis, cancer and inflammation.

Biotie is profiling its alfa2beta1 integrin inhibitors with respect to their therapeutic potential and as candidate drugs.

Bioheparin

Biotie’s Bioheparin is a non-animal-derived heparin and is produced using technology patented by the company. Biotie is seeking a development partner for the Bioheparin program.

Revenues

Revenue for the financial year 2008 was EUR 5.1 million. Revenue consisted of income from an ongoing research collaboration with Wyeth, periodization of the signing fees of the licensing agreements signed with Seikagaku Corporation in 2003 and with Somaxon Pharmaceuticals in 2004, periodization of the option fee of the option agreement signed with Roche in 2006, periodization of the signing fee received from Wyeth in 2006 as well as periodization of the execution fee of the licensing agreement signed with Lundbeck that entered into force in May 2007.

Revenue for the financial year 2007 was EUR 7.9 million. Revenue consisted of periodization of the signing fees of the licensing agreements signed with Seikagaku Corporation in 2003 and with Somaxon Pharmaceuticals in 2004, periodization of the option fee of the option agreement signed with Roche in 2006 as well as periodization of the execution fee of the licensing agreement signed with Lundbeck that entered into force in May 2007.

Financial results

The net loss for the financial year 2008 was EUR 5.5 million. The corresponding figure for the previous year was EUR 1.7 million. Research and development costs for the period amounted to EUR 8.7 million (in 2007 EUR 9.1 million). Patent costs have been booked as expenses.

Financing

Biotie’s equity ratio was 0.3 % on December 31, 2008 (-37.0 % on December 31, 2007).

Cash and cash equivalents totaled EUR 25.2 million on December 31, 2008 (EUR 28.2 million on December 31, 2007).

As from the second quarter 2008, the company has invested its liquid assets into bank deposits. Funds are reported in “investments held to maturity”. Deposits with maturity less than 3 months are reported in the “cash and cash equivalents”. Previously the funds were invested in money market funds.

In September 2008, The Finnish Funding Agency for Technology and Innovation (Tekes) granted EUR 0.6 million additional funding for Biotie Therapies' VAP-1 antibody program. The R&D funding granted covers drug development costs of the project from August 2008 to December 2009.

The funding granted is in the form of a loan and it covers about 70 per cent of the costs of the project. The loan will be paid to Biotie against reported realized costs. In order to receive the full amount of granted financing, Biotie must show a total expenditure of EUR 0.8 million in the project.

In January 2008, The Finnish Funding Agency for Technology and Innovation (Tekes) granted EUR 1.7 million additional funding for Biotie Therapies' integrin alpha2beta1 inhibitor program for thrombosis. The R&D funding granted covers drug development costs of the project from July 2007 to December 2009.

The funding granted is in the form of loan and it covers 50 per cent of the costs of the project. The loan will be paid to Biotie against reported realized costs.

In order to receive the full amount of granted financing, Biotie must show a total expenditure of EUR 3.4 million in the project.

In August 2007, the central development agency for the state of Saxony(SAB, Sächsische Aufbaubank) has awarded a research and technology grant for drug discovery and early development activities to the German subsidiary Biotie Therapies GmbH in the amount of EUR 3.8 million. The money has been awarded as a non refundable grant to be drawn down during the period between August 2007 and July 2010 against reported realized costs. As of 1 January 2009, EUR 2.4 million of this grant are still available to the company. The grant covers 65% of personnel and project related cost, so Biotie Therapies must show a total expenditure of EUR 3.6 million until July 2010 in relation to the project in order to benefit from the full amount still available.

Shareholder's equity

The shareholders' equity of the company amounts to EUR 0.1 million.

According to Finnish accounting standards, shareholders' equity is less than half of the company's share capital The company's share capital is EUR 44.3 million, shareholders' equity is EUR 14.5 million and capital loans stand at EUR 21.3 million. Thus, shareholders' equity plus capital loans add up to EUR 35.8 million. The Company does not have funds that could be used for profit distribution.

The Annual General Meeting was held on March 28, 2008 and considered measures relating to the level of shareholders' equity. It was resolved that no special measures are necessary at this point in time.

The company has in its possession 819.000 of its own shares. In relation to the company's option programs, the company has signed a stock lending agreement with EVLI Bank. Pursuant to this agreement, the number of the company's own shares in its possession may be temporarily less than 819,000.

Investments and cash flow

The cash flow from operations was EUR -9.4 million (in 2007 EUR -5.3 million). During the financial year 2008, the company received in total EUR 0.6 million from ongoing collaborations, grants and partnering agreements. The company's investments during the financial year amounted to EUR 0.1 million (EUR 0.3 million in 2007).

Personnel

During the financial year, the company's personnel was on average 42 (36 in 2007) and at the end of the financial year, 80 (37 on 31.12.2007).

Changes in Management Team

Since the acquisition of elbion GmbH, the management of the company is comprised of the following individuals:

Name	Position in the company
Timo Veromaa	Chief Executive Officer
Antero Kallio	Chief Medical Officer
Thomas Kronbach	Chief Scientific Officer
Thomas Taapken	Chief Financial Officer

Kai Lähdesmäki serves as a senior business development advisor for the company.

Biotie's Extraordinary General Meeting of Shareholders, held on November 14, 2008 appointed Ann Hanham, Bernd Kastler and Christoph Schroeder as additional new members of the Board of Directors of Biotie.

Group structure

The parent company of the group is Biotie Therapies Corp. The domicile of the Company is Turku, Finland. The Group has an operative subsidiary, Biotie Therapies GmbH, located in Radebeul, Germany.

The group also has a non-operational subsidiary named Biotie Therapies International Ltd in Finland and an associated company with no activities, Contral USA which is domiciled in Delaware USA.

Shareholders' meetings held during the financial year

Decisions taken at Annual General Meeting

The Annual General Meeting of Biotie Therapies Corp. was held on March 28, 2008.

The General Meeting of Shareholders adopted the income statement and balance sheet and the consolidated income statement and balance sheet for the financial year 1 January, 2007 - 31 December, 2007. The General Meeting of Shareholders resolved pursuant to the proposal of the Board of Directors that the loss of the financial year, EUR 1,624,388.72 shall be transferred to the company's equity.

The General Meeting of Shareholders discharged the members of the Board of Directors and the President and CEO from liability concerning the financial year from 1 January - 31 December 2007.

The Board of Directors and Auditors

The number of the members of the Board of Directors was resolved to be five. Juha Jouhki, Pauli Marttila, Riku Rautsola and Piet Serrure were re-elected as the members of the Board of Directors and Mr. Krish Krishnan was appointed as a new Board member.

Janne Rajalahti, Authorized Public Accountant, and PricewaterhouseCoopers Oy, Authorized Public Accountants, were elected as auditors of Biotie Therapies Corp.

At the organization meeting of the new Board of Directors, which convened immediately after the Annual General Meeting, Juha Jouhki was elected as the Chairman of the Board of Directors and Pauli Marttila as the deputy chairman.

Authorization of the Board of Directors to resolve on a share issue and granting of option and other specific rights entitling to the shares

The Annual General Meeting authorized the Board of Directors to resolve on one or more share issues, which contains the right to issue new shares or dispose of the shares in the possession of the company and to issue options or other specific rights to the shares pursuant to chapter 10 of the Finnish Companies Act. The authorization consists of up to 18,000,000 shares in the aggregate. A maximum of 819,000 own shares in the possession of the company may be conveyed.

The authorization does not exclude the Board of Directors' right to decide on a directed share issue. The authorization is used for possible material arrangements from the company's point of view, such as financing or implementing business arrangements or investments or for other such purposes determined by the Board in

which case a weighty financial reason for issuing shares, options or other specific rights and possibly directing a share issue would exist. However, the authorization could not be used to create new share-based incentive schemes. The authorization shall remain effective until 30 June 2009.

Issuance of new stock options

The Annual General Meeting decided to issue up to 3,000,000 stock options in the aggregate which would entitle to subscribe for up to 3,000,000 new shares in the company.

The Extraordinary General Meeting resolved to revoke the option program approved by the Annual General Meeting of Shareholders on 28 March 2008 and based on which program no option rights had been allocated.

Resolutions of the Extraordinary General Meeting

The Extraordinary General Meeting of Biotie Therapies Corp. was held on November 14, 2008. The Meeting resolved to approve all proposals by the Board.

To complete the transaction regarding elbion GmbH, the General Meeting of Shareholders of Biotie resolved, in deviation from the shareholders' pre-emptive subscription right, to offer: (i) 46,802,967 new shares to elbion NV as consideration for total share capital of elbion GmbH and (ii) up to 7,305,733 new shares to be subscribed by certain funds held or managed by Burrill & Company, TVM Capital and AGF Private Equity.

The subscription price for the shares was set at EUR 0.4517 per share. The subscription price had been determined by calculating the trade weighted average of the Company's share price during the 20 trading days prior to and including 22 October 2008.

The subscription price was recorded in the company's share capital (FAS). In IFRS accounting share capital increase was recorded at the fair value of the shares at the date of transaction which was EUR 0.29 per share and it was based on the published price at the date of exchange.

Authorization to the Board of Directors to resolve on a share issue and granting of option and other specific rights entitling to the shares

The Extraordinary General Meeting authorized the Board of Directors to resolve on one or more share issues which contains the right to issue new shares or dispose of the shares in the possession of the company and to issue options or other specific rights to the shares pursuant to chapter 10 of the Companies Act. The authorization consists of up to 7,000,000 shares in the aggregate. A maximum of 819,000 own shares in the possession of the Company can be conveyed.

The authorization does not exclude the Board of Directors' right to decide on a directed share issue. The authorization can be used for material arrangements from the company's point of view, such as financing or implementing business arrangements or investments or for other such purposes determined by the Board of Directors in which case a weighty financial reason for issuing shares, options or other specific rights and possibly directing a share issue would exist. Further, the authorization can be used to create new share-based incentive schemes. The authorization shall be effective until 1 April 2010.

The Extraordinary General Meeting resolved to revoke the option program approved by the Annual General Meeting of Shareholders on 28 March 2008 and based on which program no option rights had been allocated.

Election of new Board Members

The Extraordinary General Meeting elected Ann Hanham, Bernd Kastler and Christoph Schroeder to the Board of Directors in addition to the present members of the Board of Directors.

Option programs

By 31 December 2008 Biotie Therapies Corp. had issued option rights pursuant to two different option programs (2004 and 2006 option rights). At the beginning of the financial year the number of 2004 option rights was 2,000,000 and 2006 option rights was 2,768,800. During the financial year 2007 a total of 231,200 new shares in Biotie Therapies Corp. were subscribed for by exercising a portion of the 2006 option rights of the company's option scheme. During the financial year 2008 no new shares were subscribed under the existing option programs.

The remaining outstanding Biotie 2004 and 2006 option rights entitle their holders to subscribe for a total of 4,768,800 new shares of the company.

Share capital and Shares

Biotie's shares are quoted on the NASDAQ OMX Helsinki Oy (Small cap, Healthcare). Biotie Therapies has 144,320,560 shares and the share capital amounts to EUR 44,290,678.10 (under Finnish Accounting Standards, FAS). All the company’s shares are of the same series and have equal rights. All the shares are freely transferable and contain one voting right each.

At the end of the financial year the share price was EUR 0.26 The highest price for Biotie´s share during the financial year was EUR 0.94 and the lowest was EUR 0.24. The average share price was EUR 0.51. Biotie´s market capitalization at the end of the financial year was EUR 37.52 million (2007: EUR 68.56 million).

In accordance with the acquisition and based on the Extraordinary General Meeting held on November, during 2008 the company’s share capital increased by EUR 24,440,899.79 (FAS) and the total number of shares outstanding now amounts to 144,320,560. In IFRS accounting share capital amounts to EUR 36,360,868.43. The difference is caused by different treatment of subscription price in FAS and IFRS accounting.

During the financial year 2008, 15,350,613 (2007: 35,093,743 Biotie shares were traded corresponding to a turnover of approximately EUR 7.92 million (2007: EUR 34.15).

At the end of the financial year 2008 the company had 6,580 shareholders compared to 6,340 at the end of 2007.

Shares and options held by management

At the end of financial year 2008 the amount of company’s shares held by the Board of Directors and CEO and their controlled companies is totally 6,537,886 shares and 1,134,400 option rights.

Changes in ownership

During the period under review, the company became aware of two notices of change in ownership exceeding the disclosure threshold. Information on notices of change in ownership is available on the company´s website at www.biotie.com/investors.

The ten biggest shareholders of Biotie on 31 December, 2008

	Number of shares	%
elbion NV	46,802,967	32.61
Finnish Innovation Fund (Sitra)	14,585,350	10.16
Finnish Industry Investment Ltd	6,778,592	4.72
Juha Jouhki and his controlled companies:	6,537,672	4.56
- Dreadnought Finance Oy (2,098,416)		
- Jouhki Juha (1,501,356)		
- Thominvest Oy (2,937,900)		
Funds administered by BioFund Management Oy:	2,485,715	1.73
- BioFund Ventures III Ky (2,485,715)		
Harri Markkula and his controlled company:	1,349,431	0.94
- Tilator Oy (369,700)		
- Markkula Harri (979,731)		
Alfred Berg Small Cap Finland Fund	1,270,000	0.89
Oy H. Kuningas & Co AB	1,058,371	0.74
Oksanen Markku	860,000	0.60
Funds administered by Aboa Venture Management Oy	344,618	0.24
- Aboa Venture Ky II (336,747)		
- Karhu Pääomarahasto Ky (7,871)		
	82,072,716	57.19
Nominee registered shares total	30,918,736	21.55
Other shareholders	30,510,108	21.26
Outstanding shares	143,501,560	100.00
The number of the company's own shares held by Biotie Therapies	819,000*)	
Total	**144,320,560**	

*) The company has in its possession 819,000 of its own shares. Relating to the company's option programs, the company has signed a stock lending agreement with EVLI Bank. Pursuant to this program, the number of the company's own shares in its possession may be temporarily less than 819,000.

Short-term risks and uncertainties

Biotie's strategic risks are predominantly related to the technical success of the drug development programs, regulatory issues, the strategic decisions of its commercial partners, ability to obtain and maintain intellectual property rights for its products, validity of its patents, launch of competitive products and the development of the sales of its products and availability of funds to support its operations. For example, even though the commercialization and collaboration agreements on the company's product development projects have been concluded, there can be no assurance that the contracting partner will act in accordance with the agreement, the authorities will approve the product under development or the approved product will be commercialized. The development and success of the company's products depends to a large extent on third parties.

The operational risks include dependency of key personnel, assets and dependency on partners' decisions.
Significant financial resources are required to advance the drug development programs into commercialised pharmaceutical products. The Group relies on its

ability to fund the operations of the Group through three major sources of financing. Entering into commercialization, collaboration and licensing agreements with larger pharmaceutical companies entitles the Company and its subsidiaries to receive up-front, milestone dependant and royalty payments from these partners. In addition, the Company relies on different sources of research and development grants and loans. These funds, which are provided through regional, national or EU level institutions with the aim of fostering economic and technological progress in the region in which the Group operates, have been historically available to Biotie at substantial levels. Availability of such funds in the mid- to long term future cannot be guaranteed and thus this poses a potential risk to the income situation of the Group in the future. Furthermore, the Company relies on capital market to raise equity and debt financing from time to time. There can be no assurance that sufficient financing can be secured in order to permit the Company to carry out its planned activities. To protect the continuity of Biotie's operations, sufficient liquidity and capital has to be maintained and the Company and its subsidiaries. The Group aims to have cash funds to finance at least one year's operations at all times. The Group can influence the amount of capital by adapting its cost basis according to the financing available. 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.

Future outlook

- During 2009, Biotie will provide support to its license partner Lundbeck for the ongoing phase III studies with Nalmefene in alcohol dependence.

- Biotie will perform two clinical studies with its proprietary VAP-1 antibody in psoriasis and rheumatoid arthritis patients in the course of 2009. Results of these studies will become available in the first half of 2010.

- The company intends to initiate a clinical trial for its proprietary, small molecule PDE-4 inhibitor ELB353 with the aim to obtain proof of pharmacodynamic activity in humans, corroborate the safety profile and establish dose ranges for further therapeutic studies.

- In its collaboration with Wyeth on the discovery and development of novel PDE10 inhibitors for the treatment of psychiatric disorders, Biotie and its partner intend to identify development candidates.

- Completion of the integration of operations of the recently acquired German subsidiary Biotie Therapies GmbH.

The Board of Directors proposal for handling of the loss

The Board of Directors proposes that no dividend from the financial year 2008 will be paid, and that the loss of the parent company for the financial year EUR -6.3 (FAS) million will be transferred to shareholders´ equity.

In Turku, March 27, 2009

Biotie Therapies Corp.

Board of Directors

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APPENDICES TO THE FINANCIAL STATEMENTS

Income statement
Balance sheet
Statement of changes in shareholders' equity
Cash flow statement
Key figures

INCOME STATEMENT
consolidated figures
(IFRS)

EUR 1,000	1.10.-31.12.2008 3 months	1.10.-31.12.2007 3 months	1.1.-31.12.2008 12 months	1.1.-31.12.2007 12 months
Revenue	1,177	1,165	5,127	7,895
Research and development expenses	-2,454	-3,241	-8,730	-9,053
General and administrative expenses	-819	-379	-2,020	-1,655
Other operating income	323	174	502	1,044
Operating profit/loss	-1,773	-2,281	-5,121	-1,769
Financial income	924	132	1,432	860
Financial expenses	-902	-220	-1,864	-817
Profit/loss before taxes	-1,751	-2,369	-5,553	-1,726
Taxes	76	0	76	0
Net income/loss	-1,675	-2,369	-5,477	-1,726
Distribution				
To parent company Shareholders	-1,675	-2,369	-5,477	-1,726
Earnings per share (EPS) basic & diluted, EUR	-0.01	-0.03	-0.06	-0.02

BALANCE SHEET
consolidated figures (IFRS)

EUR 1,000	31.12.2008	31.12.2007
Assets		
Non-current assets		
Intangible assets	10,352	747
Goodwill	379	0
Property, plant and equipment	2,792	332
Financial assets at fair value through profit or loss	0	14,938
	13,523	16,017
Current assets		
Prepaid expenses	2,400	0
Available for sale investment	131	0
Investments held to maturity	18,500	0
Accounts receivables and other receivables	1,512	753
Financial assets at fair value through profit or loss	0	13,000
Cash and cash equivalents	6,738	305
	29,281	14,058
Total	42,804	30,075
Equity and liabilities		
Shareholders’ equity		
Share capital	36,361	19,850
Reserve for invested unrestricted equity	980	980
Retained earnings	-31,754	-30,220
Net income/loss	-5,477	-1,726
Shareholders’ equity total	110	-11,117
Non-current liabilities		
Provisions	121	14
Non-current financial liabilities	24,930	23,603
Pension benefit obligation	574	0
Other non-current liabilities	5,881	4,930
Non-current deferred revenues	2,966	5,168
Deferred tax liabilities	1,859	0
	36,331	33,715
Current liabilities		
Provisions	641	20
Pension benefit obligation	10	0
Current financial liabilities	144	104
Current deferred revenues	3,501	5,741
Accounts payable and other current debts	2,067	1,612
	6,363	7,477

Liabilities total	42,694	41,192
Total	42,804	30,075

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Attributable to equity holders of the parent company

EUR 1,000	Shares (1000 pcs)	Share Capital	Reserve For invested Un-restricted equity	Own Shares	Retained Earnings	Share-holders' equity total
Balance at 1.1.2007	89,531	19,850	0	-15	-30,641	-10,807
Net income/loss for the period					-1,726	-1,726
Options granted					437	437
Share subscription with Convertible capital loans	450		841			841
Share subscription with Option rights	231		139			139
	681	0	980	0	-1,289	-310
BALANCE AT 31.12.2007	90,212	19,850	980	-15	-31,930	-11,117
Net income/loss for the period					-5,477	-5,477
Options granted					193	193
Share issue	54,109	16,873				16,873
Cost of share issue		-362				-362
	54,109	16,511	0	0	-5,285	11,227
BALANCE AT 31.12.2008	144,321	36,361	980	-15	-37,215	110

CASH FLOW STATEMENT

EUR 1,000	1.1.-31.12.2008 12 months	1.1.-31.12.2007 12 months
Cash flow from operating Activities		
Net income/loss	-5,477	-1,726
Adjustments:		
Non-cash transactions	-4,303	-3,452
Addition/disposal due to revaluation of financial assets at fair value through profit or loss	0	-644
Interest and other financial expenses	1,863	817
Interest income	-1,431	-216
Taxes	-76	0
Change in working capital:		
Change in accounts receivables and other receivables	446	-190
Change in accounts payable and other liabilities	-277	96
Change in mandatory provisions	-152	10
Interests paid	-29	-40
Interests received	66	57
Taxes paid	0	0
Net cash from operating activities	-9,370	-5,288
Cash flow from investing activities		
Acquisition of subsidiary, net of cash acquired	1,881	0
Change in financial assets at fair value through profit or loss		
Additions	0	-4,500
Disposals	27,685	5,280
Change in investments held to maturity		
Additions	-46,300	0
Disposals	28,321	0
Investments to tangible assets	-34	-23
Net cash used in investing activities	11,553	757
Cash flow from financing activities		
Payments from share issue	3,300	139
Share issue costs	-362	0
Proceeds from borrowings	1,374	874
Repayment of loans	-40	-40
Repayment of lease Commitments	-21	-23
Net cash from financing activities	4,250	950
Net increase (+) or decrease (-) in cash and cash equivalents	6,433	-3,581
Cash and cash equivalents in the beginning of the period	305	3,886

Cash and cash equivalents in the end of the period	6,738	305

CONTINGENT LIABILITIES

EUR 1,000	2008	2007
Operating lease commitments	**123**	**159**
Due within a year	64	60
Due later	59	99
Rent commitments	**532**	**652**
Due within a year	233	223
Due later	299	429
Total	**655**	**811**

The Group leases motor vehicles, machines and equipment with leases of 3 to 5 years.

Rent commitments include Pharmacity premises until 30 November 2011. These premises have been subleased until 31 August 2009.

The company has received significant subsidies for several research projects. In addition, the company has also received capital investment subsidies. All these subsidies are subject to various terms and conditions. If these conditions are subsequently not met by the company, future repayment obligations could arise. The amount and timing of potential repayments can presently not be estimated. Currently, the company has no indication that any claims by the granting authorities will be made.

According to the German employee inventor’s law (*Arbeitnehmererfindergesetz*), employees based in Germany are eligible to receive compensation derived from future income related to intellectual property invented partly or in total by these employees. This could amount up to a maximum of 2.5% of the income generated by the respective invention.
The Finnish Act on the Right to Employees' Inventions entitles the employees in Finland to receive compensation for any of their inventions belonging under the scope of the Act.

Commitments

On December 31, 2008 Biotie had outstanding purchase obligations, primarily for contract research work services, totaling EUR 5.6 million.

KEY FIGURES

EUR 1,000	1.1.-31.12.2008 12 months	1.1.-31.12.2007 12 months
Business development		
Revenues	5,127	7,895
Personnel on average	42	36
Personnel at the end of period	80	37
Research and development costs	8,730	9,053
Capital expenditure	116	287
Profitability		
Operating profit/loss	-5,121	-1,769
as percentage of revenues, %	-99.9	-22.4
Profit/loss before taxes	-5,553	-1,726
as percentage of revenues, %	-108.3	-21.9
Balance sheet		
Cash and cash equivalents	25,238	28,243
Shareholders equity	110	-11,117
Balance sheet total	42,804	30,075
Financial ratios		
Return on equity, %	-	-
Return on capital employed, %	-18.3	-7.2
Equity ratio, %	0.3	-37.0
Gearing, %	-148,5	40.8
Per share data		
Earnings per share (EPS) basic & diluted, EUR	-0.06	-0.02
Shareholders´equity per share, EUR	0.0008	-0.12
Dividend per share, EUR		
Pay-out ratio, %		
Effective dividend yield, %		
P/E-ratio		
Share price		
Lowest share price, EUR	0.24	0.75
Highest share price, EUR	0.94	1.22
Average share price, EUR	0.51	0.98
End of period share price, EUR	0.26	0.76
Market capitalization at the end of period MEUR	37.5	68.6
Trading of shares		
Number of shares traded	15,350,613	35,093,743
As percentage of all	10.6	38.9
Adjusted weighted average Number of shares during the period	96,734,553	90,003,192
Adjusted number of shares at the end of the period	144,320,560	90,211,860

Formulas for the Calculation of the Financial Ratios

Return on capital employed, %

$$\frac{\text{Profit (loss) before taxes + interest expenses and other financial expenses}}{\text{Balance sheet total - non-interest bearing liabilities}} \times 100$$

Equity ratio, %

$$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advanced received}} \times 100$$

Gearing, %

$$\frac{\text{Interest bearing liabilities - cash and cash equivalents}}{\text{Shareholders' equity}} \times 100$$

Earnings per share (EPS)

$$\frac{\text{Profit attributable to parent company shareholders}}{\text{Adjusted average number of outstanding shares during the period}}$$

Shareholders' equity per share

$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the period}}$$