BIOTIE THERAPIES CORP. INTERIM REPORT 4 November 2011 at 9.00 a.m.

Biotie Therapies Corp. Interim report 1 January – 30 September 2011

Building critical mass through M&A, internal and partnered pipeline advancing and additional cash resources secured. Biotie has strengthened its business significantly in the last nine months. In February, Biotie acquired Synosia Therapeutics, a drug development specialist with key operations in the US, broadening its pipeline and adding mid-stage novel CNS products. Earlier in the year Biotie's partner Lundbeck reported positive data from the Phase 3 program for nalmefene in alcohol dependence and plans to file the drug in Europe by the end of 2011. In addition, Biotie advanced its own pipeline and in April announced the start of a Phase 2b study with SYN115 in Parkinson's disease and in July, the start of 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 when compared to placebo. Based on the uncertainty of UCB Pharma exercising its licensing option or further internal development Biotie has fully impaired the carrying value of this asset. In March, Biotie raised EUR 27 million in a directed share issue to institutional and strategic investors, strengthening its financial position.

Financial review for January – September 2011

Financial statements for January - September 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 comparison figures for January - March 2010, it did not affect the figures reported for January - March 2011. The comparison figures for the period January – September 2010 have been classified according to IFRS 5.

EUR thousand **Continuing operations**	**1.1. – 30.9.2011 9 months**	**1.1. – 30.9.2010 9 months**
Revenues	977	1,482
Financial result (net loss):	-28,506	-6,013
Basic earnings per share (EUR)	-0.08	-0.04
Cash flow from operating activities	-14,328	-7,078
Investments in tangible assets	36	53

	30.9.2011	**30.9.2010**
Liquid assets	37,244	8,924
Equity	74,105	-21,909
Equity ratio (%)	61.8	-127.5

Q3/2011 in brief:

Advancement of clinical program for SYN120: Biotie announced in July the start of a Phase 1 clinical study using positron emission tomography (PET) imaging to investigate brain concentrations of SYN120, a potential treatment for cognitive disorders including Alzheimer's disease and schizophrenia.

Proposal and subsequent termination of agreement to acquire Newron Pharmaceuticals S.p.A.: On 27 September 2011, Biotie and Newron Pharmaceuticals ("Newron") signed a joint merger plan ("Merger Plan") together with a combination agreement for Biotie to acquire Newron through a European Union cross-border merger (the "Transaction"). Biotie terminated the agreement on 28 October 2011 due to development described below in Key events after the reporting period.

Financial review Q3 2011:

Financial statements for Q3 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**	**1.7. – 30.9.2011 3 months**	**1.7.– 30.9.2010 3 months**
Revenues	31	473
Financial result (net loss):	-16,185	-1,416
Basic earnings per share (EUR)	-0.04	-0.01
Cash flow from operating activities	-3,808	-1,593

Financial result for Q3 2011 has been impacted by a non-cash impairment charge of EUR 11.7 million for SYN118 arising from the uncertainty and likelihood of UCB exercising its licensing option or further internal development of this product. The Company has issued a separate stock exchange release relating to the non-cash impairment charge of SYN118.

Timo Veromaa, Biotie's President and CEO:

"As we look ahead, our lead product nalmefene is due to be filed in Europe by Lundbeck before the end of the year and our pipeline of novel products in CNS and inflammation is advancing on track. Although the proposed Newron acquisition did not work out as we had originally thought, we will continue to consider opportunities for strategic growth. Overall, we believe the company is in great shape."

Key events after the reporting period

Proposal and subsequent termination of agreement to acquire Newron Pharmaceuticals S.p.A.: On 27 September 2011, Biotie and Newron Pharmaceuticals ("Newron") signed a joint merger plan together with a combination agreement for Biotie to acquire Newron through a European Union cross-border merger.

After the reporting period on 21 October 2011, Biotie announced that, effective April 2012, Merck Serono will 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, the Board of Directors of Biotie notified Newron of its decision to exercise its right to terminate the current merger plan and combination agreement, without any further obligations from Biotie. As a result, Biotie is entitled to a break-up fee of EUR 1.5 million from Newron.

Outlook for 2011 and key pipeline newsflow

- **Nalmefene:** An orally administered opioid receptor antagonist that completed Phase 3 development in Q2 2011 for the treatment of alcohol dependence. Biotie's development and commercialization partner H. Lundbeck A/S (Lundbeck) is expected to file a marketing authorization application (MAA) in Europe by year end 2011.

- **SYN115 (tozadenant):** 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.

- **SYN117 (nepicastat):** An orally administered, potent and selective inhibitor of the enzymedopamine 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 2013.

- **BTT-1023 (VAP-1 antibody):** A fully human antibody against vascular adhesion protein-1 (VAP-1). It 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.

Financial calendar 2012:

Biotie's financial statement release 2011 will be published February 24, 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 4 November 2011 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 8164470. 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 an international biopharmaceutical company focused on the development of innovative, clinically differentiated medicines to address unmet medical needs primarily associated with neurological and psychiatric diseases and selected inflammatory diseases. Biotie aims to develop treatment solutions that will improve the lives of patients with conditions such as Parkinson's and Alzheimer's diseases, drug dependence and inflammatory liver disease.

Biotie's highly experienced development teams in Europe and the US are focused on efficiently delivering safety and efficacy data for the company's compounds. For niche indications, Biotie will consider bringing products to market by itself. For larger indications, it will seek strategic partnerships with pharmaceutical partners for late-stage development and commercialization. Current pharmaceutical partners include Lundbeck, Roche, UCB Pharma, and Seikagaku.

Biotie's most advanced product, nalmefene for alcohol dependence, has completed Phase 3 clinical development by licensing partner Lundbeck.

Group structure: The parent company of the group is Biotie Therapies Corp. The domicile of the company is Turku, Finland. The company has two non-operational subsidiaries named Biotie Therapies GmbH, located in Radebeul, Germany and Biotie Therapies International Ltd in Finland.

Following the acquisition of Synosia Therapeutics, the company has a holding subsidiary, Biotie Therapies Holding AG, located in Basel, Switzerland, which has two operative subsidiaries, Biotie Therapies AG, located in Basel, Switzerland and Biotie Therapies, Inc. located in South San Francisco, California.

Drug development projects:

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 plans to file a marketing authorization application (MAA) in Europe by year end 2011.

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 prior studies conducted by Biotie, the total clinical database now contains more than 3,000 patients with alcohol dependence.

SYN115 (tozadenant) 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, 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 Biotie's fully human VAP-1 antibody (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

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.

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 is ongoing, funded by the US Department of Defense. No data from this study is expected to become available before 2013. There is strong scientific and medical rationale for the use of SYN117 in the treatment of cocaine dependency and discussions are ongoing to seek further funding for this indication.

Financial review for reporting period January – September 2011

Financial statements for the period January-September 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 1.5 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 28.5 million (EUR 6.0 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 arising from the uncertainty and likelihood of UCB exercising its licensing option or further internal development of this product.

Research and development costs for the reporting period amounted to EUR 29.7 million including impairment of SYN118 (EUR 4.4 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 -24.8 million (EUR -13 million in the same period 2010).

Discontinued operations relate to the restructuring plan initiated in October 2010. The restructuring plan targeted achieving annual savings of at least EUR 4.0 million from 2011 onwards. The group is on track to achieve the expected savings by the end of 2011.

Financing: Cash, cash equivalents and short term investments totaled EUR 37.2 million on 30 September 2011 (EUR 8.9 million on 30 September 2010). The groups' financial position has been 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 ordinary no-par 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.

Shareholder's equity: The shareholders' equity of the group amounted to EUR 74.1 million (IFRS) on 30 September 2011. Biotie's equity ratio was 61.8% on 30 September 2011 (-127.5% on 30 September 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 - September amounted to EUR -14.3 million for continuing operations (EUR -7.1 million in the same period in 2010) and EUR -2.4 million for discontinued operations (EUR -3.4 million in the same period in 2010). Operating cash outflow for continuing operations was EUR 7.2 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 38 thousand (EUR 264 thousand in the same period in 2010).

Changes in the management team

Biotie's interim Chief Financial Officer Ulla Sjöblom left the company to pursue other interests. Zack McNealy, Vice President, Finance of the group's US subsidiary assumed the role of acting Chief Financial Officer starting September 1, 2011.

Personnel

During the reporting period January – September 2011, the average number of employees amounted to 37 (82 during January - September 2010) and at the end of the reporting period, after the restructuring in Q4 2010 and acquisition of Synosia in Q1 2011, Biotie employed 35 people (81 on 30 September 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 entitle to subscribe one share in the company.

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.

The Swiss subsidiary of Biotie Therapies Corp. Biotie Therapies Holding AG (previously Synosia Therapeutics Holding AG) conveyed 2,132,860 (reported in 6 June, 2011), conveyed 899,071 (reported in 5 July, 2011), conveyed 374.161 (reported in 3 August) and conveyed 89,728 (reported in 2 September) of Biotie shares (a total of 3,495,820 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 3,495,820 votes to 376,178,122 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 11,416,335 shares. The parent company Biotie does not own any treasury shares.

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 (GICS - Global Industry Classification Standard) by MSCI (Morgan Stanley Capital International).

On 30 September 2011 the registered number of shares in Biotie Therapies Corp. was 387,594,457. Of these shares 11,416,335 were held by the company or its group companies. The registered share capital of Biotie was EUR 165,919,181.95.

Market capitalization and trading

At the end of the reporting period the share price was EUR 0.45 the highest price during the reporting period January – September 2011 was EUR 0.82, the lowest was EUR 0.34, and the average price was EUR 0.59. Biotie's market capitalization at the end of the reporting period was EUR 174.4 million.

The trading volume on NASDAQ OMX Helsinki during the reporting period January – September was 208,844, 063 shares, corresponding to a turnover of EUR 122,342,214

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.

IFRS and accounting principles

This interim financial report has been prepared in accordance with IFRS recognition and measurement principles, and applying the same accounting policies as for the 2010 financial statements. The interim report 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 interim report is unaudited.

Turku, 4 November 2011

Biotie Therapies Corp.
Board of Directors

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR 1,000	**1.7.-30.9.2011 3 months**	**1.7.-30.9.2010 3 months**	**1.1.-30.9.2011 9 months**	**1.1.-30.9.2010 9 months**	**1.1.-31.12.2010 12 months**
Continuing operations					
Revenue	31	473	977	1,482	1,955
Research and development expenses	-20,355	-963	-29,701	-4,381	-5,538
General and administrative expenses	-2,149	-784	-6,888	-2,713	-4,216
Other operating income	284	41	790	125	166
Operating profit/loss	-22,190	-1,233	-34,823	-5,487	-7,633
Financial income	222	24	369	89	101
Financial expenses	576	-207	-1,440	-615	-930
Profit/loss before taxes	-21,391	-1,416	-35,893	-6,013	-8,462
Taxes	5,206	0	7,387	0	0
Net income/loss, continuing operations	-16,185	-1,416	-28,506	-6,013	-8,462
Net income/loss, discontinued operations	0	-4,504	0	-7,000	-13,111
Net income/loss	-16,185	-5,920	-28,506	-13,013	-21,573
Other comprehensive income:					
Currency translation differences	3,107	0	3,706	0	0
Total comprehensive income of the period	-13,078	-5,920	-24,800	-13,013	-21,573
Net income/loss					

attributable to					
Parent company shareholders	-16,185	-5,920	-28,506	-13,013	-21,573
Total comprehensive income attributable to:					
Parent company shareholders	-13,078	-5,920	-24,800	-13,013	-21,573
Earnings per share (EPS) basic & diluted, EUR, continuing operations	-0.04	-0.01	-0.08	-0.04	-0.06
Earnings per share (EPS) basic & diluted, EUR, discontinued operations	0.00	-0.03	0.00	-0.04	-0.09

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

	30.9.2011	30.9.2010	31.12.2010
Assets			
Non-current assets			
Intangible assets	73,325	4,055	4,042
Goodwill	5,402	0	0
Property, plant and equipment	335	1,939	365
Investment property	1,393	0	1,468
Other shares	10	10	10
	80,465	**6,004**	**5,885**
Current assets			
Available for sale investment	0	34	0
Investments held to maturity	14,000	3,000	0
Accounts receivables and other receivables	2,201	1,113	1,261
Financial assets at fair value through profit or loss	2,731	0	0
Cash and cash equivalents	20,513	5,924	4,059
Non-current assets classified as held for sale	0	1,104	0
	39,445	**11,175**	**5,320**
Total	**119,910**	**17,179**	**11,205**
Equity and liabilities			
Shareholders' equity			
Share capital	166,446	49,925	43,378
Share issue	0	50	500

Reserve for invested unrestricted equity	4,444	1,180	1,180
Cumulative translation adjustment	3,706	0	0
Retained earnings	-71,984	-53,051	-52,951
Net income/loss	-28,506	-13,013	-21,573
Shareholders' equity total	**74,105**	**-21,909**	**-29,466**
Non-current liabilities			
Provisions	0	4	0
Non-current financial liabilities	25,811	25,657	25,640
Pension benefit obligation	430	0	430
Other non-current liabilities	8,012	7,258	7,442
Non-current deferred revenues	277	399	368
Deferred tax liabilities	2,820	0	0
	37,349	**33,318**	**33,880**
Current liabilities			
Provisions	570	591	589
Pension benefit obligation	16	0	16
Current financial liabilities	72	171	144
Current deferred revenues	120	1,448	1,006
Accounts payable and other current liabilities	7,678	2,456	2,637
Liability associated with assets classified as held for sale	0	1,104	0
Liability related to discontinued operations	0	0	2,400
	8,456	**5,770**	**6,791**
Liabilities total	**45,805**	**39,088**	**40,671**
Total	**119,910**	**17,179**	**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						-24,800	-24,800
Options granted				2,662		2,539	5,201
Options exercised				602			602
Directed issue of treasury shares		500	-500				0
Directed issues of new shares	211,590	115,893					115,893
Directed offer of treasury shares		7,964					7,964
Cost of share issue		-1,289					-1,289
	211,590	123,067	-500	3,265	0	-22,261	103,571
BALANCE AT 30.9.2011	387,594	166,446	0	4,444	-15	-96,770	74,105

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1,000	1.1.-30.9.2011 9 months	1.1.-30.9.2010 9 months	1.1.-31.12.2010 12 months
Cash flow from operating activities			
Continuing operations			
Net income/loss	-28,506	-6,013	-8,462
Adjustments:			
Non-cash transactions	15,411	-1,154	-1,287
Acquisition related costs	759	0	0
Interest and other financial expenses	607	612	930
Interest income	-259	-117	-101
Foreign exchange losses/gains on operating activities	80	0	0
Taxes	-3,143	0	0
Change in working capital:			
Change in accounts receivables and other receivables	401	-158	626
Change in accounts payable and other liabilities	301	-255	436
Change in mandatory provisions	-18	-18	-25
Interests paid	-42	-31	-42
Interests received	75	56	68
Taxes paid	6	0	0
Net cash from operating activities, continuing operations	**-14,328**	**-7,078**	**-7,856**
Net cash from operating activities, discontinued operations	**-2,400**	**-3,444**	**-7,011**
Net cash from operating activities	**-16,728**	**-10,522**	**-14,867**
Cash flow from investing activities			
Continuing operations			
Acquisition of subsidiary, net of cash acquired	15,489	0	0

Change in financial assets at fair value through profit or loss			
Additions	0	0	0
Disposals	4,212	8,886	8,886
Change in investments held to maturity			
Additions	-19,000	-3,000	0
Disposals	5,000	0	0
Investments to tangible assets	-36	-53	-54
Investments to intangible assets	-2	0	0
Net cash used in investing activities, continuing operations	**5,663**	**5,834**	**8,832**
Net cash used in investing activities, discontinued operations	**0**	**-211**	**-1,587**
Net cash used in investing activities	**5,663**	**-5,623**	**7,245**
Cash flow from financing activities			
Continuing operations			
Payments from share issue	27,589	50	1,050
Share issue costs	-1,185	-132	-229
Proceeds from borrowings	226	6	6
Repayment of loans	-40	-40	-40
Repayment of lease commitments	-87	-132	-177
Net cash from financing activities, continuing operations	**26,504**	**-248**	**610**
Net cash from financing activities, discontinued operations	**0**	**180**	**180**
Net cash from financing activities	**26,504**	**-68**	**791**
Net increase (+) or decrease (-) in cash and cash equivalents	15,439	-4,967	-6,832
Effect on changes in exchange rates on cash and cash	1,014	0	0

equivalents			
Cash and cash equivalents at the beginning of the period	4,059	10,891	10,891
Cash and cash equivalents at the end of the period	20,513	5,924	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 September 30, 2011

	Amount	**Weighted average exercise price**
Options exercised	3,495,820	0.17
Options outstanding	11,155,967	0.21
Options exercisable	8,384,139	0.16

CONTINGENT LIABILITIES

EUR 1,000	**30.9.2011**	**30.9.2010**	**31.12.2010**
Operating lease commitments	**447**	**124**	**159**
Due within a year	230	81	70
Due later	217	43	88
Rent commitments	**76**	**264**	**243**
Due within a year	76	238	243
Due later	0	26	0

Total	**523**	**388**	**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 30 September 2011 Biotie had purchase commitments, primarily for contract research work services, totaling EUR 11.8 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 2010

Incl. both continuing and discontinued operations	**1.1.-30.9.2011**	**1.1.-30.9.2010**	**1.1.-31.12.2010**
EUR 1,000	**9 months**	**9 months**	**12 months**
Business development			
Revenues	977	2,455	2,928
Personnel on average	37	82	70
Personnel at the end of period	35	81	23
Research and development costs	-29,701	10,148	12,229
Capital expenditure	38	264	270
Profitability			
Operating profit/loss	-34,823	-9,587	-20,720
as percentage of revenues, %	-3,564.3	-390.5	-707.65
Profit/loss before taxes	-35,893	-13,013	-21,573
as percentage of revenues, %	-3,673.8	-530.1	-736.78
Balance sheet			
Liquid assets	37,244	8,924	4,059
Shareholders' equity	74,105	-21,909	-29,466
Balance sheet total	119,910	17,179	11,205
Financial ratios			
Return on equity, %	-	-	-
Return on capital employed, %	-97.7	-131.3	-341.5

Equity ratio, %	61.8	-127.5	-263.0
Gearing, %	-15.3	-77.2	-73.7
Per share data			
Earnings per share (EPS) basic, EUR	-0.08	-0.08	-0.15
Earnings per share (EPS) diluted, EUR	-0.08	-0.08	-0.15
Shareholders' equity per share,€	0.19	-0.14	-0.17
Dividend per share, EUR	-	-	-
Pay-out ratio, %	-	-	-
Effective dividend yield, %	-	-	-
P/E-ratio	-	-	-
Share price			
Lowest share price, EUR	0.34	0.41	0.30
Highest share price, EUR	0.82	0.65	0.65
Average share price, EUR	0.59	0.53	0.48
End of period share price, EUR	0.45	0.44	0.50
Market capitalization at the end of period MEUR	174.4	69.9	88.0
Trading of shares			
Number of shares traded	208,844,063	49,462,429	90,049,678
As percentage of all	53.9	31.2	51.2
Adjusted weighted average number of shares during the period	357,650,868	158,752,560	161,919,250
Adjusted number of shares at the end of the period	387,594,457	158,752,560	176,003,931