



Media Release

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Biotie and Synosia to Combine to Create a Leading CNS Development Company

Conference Call Tuesday, 11 January, 3:00 p.m. Central European Time

Biotie Therapies Corp. ("Biotie" or "Company", NASDAQ-OMX; BTH1V) and Synosia Therapeutics Holding AG ("Synosia") jointly announce today the signing of a combination agreement through which Biotie will issue 161,448,371 shares to the shareholders and warrant holders of privately-owned Synosia in an acquisition of the entire issued share capital and outstanding warrants of Synosia (the "Transaction").

The combined entity includes a promising pipeline of nine clinical-stage drug candidates; a significant international presence with operations in Finland, The United States and Switzerland, and an experienced management team and Board of Directors.

The Transaction remains subject to approval by the extraordinary general meeting ("EGM") of shareholders of Biotie to be held on 1 February 2011.

The combined clinical development pipeline includes nalmefene, Biotie's Phase 3 product candidate for the treatment of alcohol dependence, which recently reported positive results from the first two Phase 3 trials conducted by its partner Lundbeck and is on track for submission for approval in Europe in the second half of 2011. Synosia brings a broad pipeline of innovative central nervous system (CNS) product candidates and a recently announced partnership with UCB Pharma SA ("UCB") that included a \$20 million equity investment and has potential for \$725 million in milestone payments plus royalties. This collaboration covers SYN-115, a novel adenosine A2a receptor antagonist for Parkinson's disease in

Phase 2 and SYN-118, a potential first-in-class hydroxyphenyl-pyruvate dioxygenase (HPPD) inhibitor intended for movement disorders also in Phase 2.

Timo Veromaa, President and Chief Executive Officer (CEO) of Biotie commented: "We are very excited to announce this compelling business combination, bringing together an outstanding pipeline and complementary drug development expertise. Through this transaction we establish Biotie as a global leader in CNS drug development."

Ian Massey, President and CEO of Synosia stated: "We are enthusiastic to join forces with Biotie and confident that the combined entity has the right capabilities and infrastructure to maximize the value for shareholders and deliver innovative products to patients."

About the New Organization

Under the combination agreement, Timo Veromaa, will continue as President and CEO of Biotie. Synosia's CEO, Ian Massey, will become Chief Operating Officer and President, US Operations, a newly created position.

Synosia's Chief Medical Officer (CMO), Stephen Bandak, will become Biotie's CMO. Chris Piggott, Biotie's Chief Business Officer will continue in this role in the combined entity.

Biotie's Chief Financial Officer (CFO), Thomas Taapken, will continue in his role through the closing of the transaction and until 1 April, 2011, when he will leave the Company for personal reasons. Ulla Sjöblom, Biotie's Vice President, Finance, will serve as acting CFO from 1 April 2011 until a new CFO is appointed.

It will be proposed at Biotie's EGM in February that Biotie's Board of Directors is augmented by the addition of the following Synosia board members: Brad Bolzon, Ismail Kola, Guido Magni and Andy Schwab.

In addition, Bill Burns, until recently CEO of Roche Pharmaceuticals, will be proposed to join Biotie's board. Bill led the global pharmaceuticals division for eight years through some of its most significant milestones, including the short-form merger acquisition of Genentech.

All these individuals have given their consent to stand for election at the upcoming EGM.

It is intended that Peter Fellner will continue as Chairman of Biotie's Board of Directors and that Brad Bolzon will serve as Deputy Chairman. Pauli Marttila and Riku Rautsola have decided to step down from the Biotie board at the EGM.

Biotie's Chairman, Peter Fellner stated: "We all thank Pauli Marttila and Riku Rautsola for their valuable contribution to the company during their many years of service and wish them well."

Brad Bolzon, Chairman of Synosia's Board of Directors, paid tribute to those who had supported Synosia through its rapid growth: "We have benefitted from an outstanding board of seasoned investors in life sciences and an experienced management team, who together established a new paradigm of efficient drug development in CNS. We look forward to being part of this exciting new entity."

The Boards of Directors of both Biotie and Synosia unanimously support the proposed combination of companies.

The EGM is to be convened for 1 February, 2011 to resolve on issuance of new shares in Biotie in connection with the Transaction (as defined below) and to take certain other decisions required for the completion of the Transaction. Biotie will publish an invitation to the EGM separately which will contain full details of the proposed resolutions. Existing Biotie's shareholders, representing more than thirty (30) per cent of the Company's total number of votes, have agreed to vote in the EGM in favor of the Transaction.

Financial Information

Biotie reported revenues of EUR 1.5 million for the first three quarters of 2010. Liquid assets were EUR 8.9 million, as at 30 September 2010. Biotie's research and development costs from continuing operations for the same period amounted to EUR 4.4 million.

Synosia reported revenues of EUR 1.1 million and cash and cash equivalents of EUR 34.6 million for the same period, and had research and developments costs of EUR 8.1 million.

On a pro forma basis, the combined entity would have had revenues of EUR 2.6 million from continuing operations in accordance with IFRS in the first three quarters of 2010. On a combined basis, cash and cash equivalents without pro forma or IFRS adjustments would have been EUR 43.5 million as at the end of September 2010.

Certain debt repayments will be made by Synosia prior to the completion of the transaction, which will reduce cash and cash equivalents on a combined basis by approximately EUR 8.8 million after the completion of the transaction.

Research and development costs incurred for the continued operations on a combined basis for the first three quarters of 2010 would have been EUR 12.5 million without pro forma or IFRS adjustments. Biotie earnings per share will be affected by the transaction as the revenues and results of Synosia and Biotie are combined to consolidated financial statements, and on the other hand as Biotie will issue new shares to the shareholders of Synosia.

The unaudited pro forma financial information on Biotie for the nine months ending on 30 September 2010 and the full year 2009 will be available in the listing prospectus intended to be published by Biotie on or about 1 February 2011.

About the Combined Pipeline

The combined product pipeline represents a strong and balanced portfolio of novel drugs for diseases with high unmet medical need. Key features are summarized below:

_ **Nalmefene:** Novel, oral opioid receptor antagonist in Phase 3 clinical trials with partner Lundbeck. As-needed dosing offered by nalmefene could dramatically alter the way alcohol dependence is treated. Recent results from the first two of a total of three Phase 3 trials reported positive results in helping patients reduce alcohol consumption. A final Phase 3 trial (ESENSE2) is expected to complete Q2 2011.

_ **SYN-115:** Potent and selective inhibitor of the adenosine A2a receptor with class-leading profile for the treatment of Parkinson's disease. SYN-115 is the first potential new mechanism in 20 years in Parkinson's with the potential to impact motor and non-motor symptoms and be disease modifying. Phase 2a completed successfully and Phase 2b trial planned to start H1 2011. This program is partnered with UCB.

_ **SYN-118 (nitisinone):** Already approved and marketed product for an orphan disease indication (Orfadin®) by Swedish Orphan Biovitrum. The combined entity will have rights outside orphan disease indications and plans to leverage this product as a new treatment for Parkinson's disease that could be complementary to SYN-115. A placebo-controlled Phase 2a study in Parkinson's disease is ongoing with data expected H1 2011. UCB has an option to license this compound.

_ **SYN-120:** Orally available inhibitor of 5-HT₆ receptors in the CNS with potential to be a best-in-class treatment for cognitive disorders, such as Alzheimer's disease. This product has completed single and multiple ascending dose Phase 1 studies and is currently in studies to establish therapeutic dose due to report in H2 2011. Roche has an opt-in right after completion of the ongoing studies.

_ **SYN-114:** Orally bioavailable potent and selective antagonist of the 5-HT₆ receptor. SYN-114 has completed Phase 1 single and multiple ascending dose studies and is a back-up compound to SYN-120.

_ **SYN-117 (nepicastat):** Orally available inhibitor of dopamine metabolism (dopamine beta-hydroxylase) in Phase 2 trials for post-traumatic stress disorder which are funded by the US Department of Defense.

_ **SYN-111 (rufinamide):** Sodium channel blocker marketed by Eisai as an adjunctive therapy for Lennox Gastaut Syndrome. The combined entity will seek opportunities to evaluate this compound for the treatment of bipolar disorder.

_ **VAP-1 antibody:** First-in-class monoclonal antibody targeting vascular adhesion protein-1 (VAP-1). The product is well tolerated and has shown encouraging activity in Phase 1b trials for rheumatoid arthritis. Preparations for Phase 2 development are ongoing. In parallel, Biotie is considering potential partnerships for this product.

_ **Ronomilast:** A Phase 2 ready, potentially best-in-class phosphodiesterase-4 (PDE4) inhibitor for chronic obstructive pulmonary disease (COPD). Biotie is considering potential partnerships for this product.

About the Transaction

New Shares to be issued and transaction to be approved by the EGM

In consideration of Biotie acquiring the entire issued share capital and outstanding warrants of Synosia, Biotie will issue 161,448,371 new shares to Synosia shareholders and warrant holders (the "Consideration Shares"). Based on Biotie's closing share price on 10 January 2011 of EUR 0.58, the transaction is valued at EUR 93.6 million. 14,912,155 shares will be issued to Synosia to be held in treasury and used to satisfy future potential exercise of Synosia's options (the "Additional Treasury Shares" and together with the Consideration Shares, the "New Shares").

Subsequent to the subscription and registration of the New Shares, the aggregate number of Biotie shares in issue will be 352,364,457. The following table outlines the pre- and post-transaction capitalization structure:

Biotie Pre-transaction Capitalization

Biotie's shares and votes outstanding	161,256,847
Biotie's treasury shares	14,747,084
Biotie's total shares in issue	<u>176,003,931</u>

New Shares to be Issued

New shares to be issued to Synosia shareholders and warrant holders	161,448,371
New treasury shares to be issued to Synosia in connection with option scheme	14,912,155
Total new shares	<u>176,360,526</u>

Post-transaction Capitalization (prior to conveyance of shares to Synosia option holders)

Total shares and votes post-Transaction (excluding treasury shares held by Biotie's group companies)	322,705,218
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Total shares post-Transaction

352,364,457

The Transaction is subject to the necessary resolutions passed by Biotie shareholders at the EGM to be held on 1 February 2011, and certain additional conditions described below. The Transaction will be completed as soon as the EGM has passed the resolutions necessary for the completion of the Transaction, provided that also the other prerequisites for the completion are fulfilled. Once registered with the Finnish Trade Register, the newly issues shares will rank pari passu in every respect with the existing shares in Biotie.

Subsequent to the completion of the Transaction, Biotie will apply to list the new shares on NASDAQ OMX Helsinki Oy. Trading of the new shares is expected to commence after their registration with the Finnish Trade Register. Biotie will publish a prospectus in relation to the listing of the new shares on or about 1 February 2011. The prospectus will be available in the Finnish language on Biotie's web site, on or about 1 February 2011 and at the offices of Biotie, in Turku, Finland.

Execution of Combination Agreement

Biotie, Synosia and Synosia's shareholders and warrant holders have today entered into a Combination Agreement, which sets out the terms and conditions of the Transaction. The Combination Agreement includes conditions to the completion of the Transaction. Such conditions include (i) the availability of necessary authorisations, (ii) the approval by the Finnish Financial Supervisory Authority of the prospectus in relation to the listing of the issued shares, (iii) the absence of breach of agreement or material adverse effect on the respective assets, businesses, financial condition or results of operation of Biotie and/or Synosia, (iv) Synosia's option plan having been amended to reflect the transfer of Biotie's shares instead of Synosia shares to option holders upon exercise of the option rights, and (v) certain other conditions. The Combination Agreement also contains stipulations governing the conduct of Biotie and Synosia prior to the completion of the Transaction, the cooperation of the parties for the purposes of preparing necessary filings and documents to complete the Transaction and the possible termination of the Combination Agreement for example on the basis of material adverse effect in the respective businesses of Biotie or Synosia.

In the Combination Agreement, it is agreed that the shares issued to Synosia shareholders and warrant holders may not be transferred during a period of twelve (12) months from the completion of the Transaction without the prior written consent of the Board of Directors of Biotie, however provided that the above transfer restrictions do not apply in relation to e.g. offers made for Biotie shares that would result in the offer or obtaining control of Biotie, or disposals required by any law, competent authority or court order.

Expected Timetable of Certain Events

10 January 2011	Combination Agreement signed
10 January 2011	Invitation to the EGM of Biotie
1 February 2011	EGM of Biotie
(approx.) 1 February 2011	New shares subscribed
(approx.) 1 February 2011	Listing Prospectus will be available
(approx.) 2 February 2011	New shares registered with the Finnish Trade Register
(approx.) 3 February 2011	Admission to trading of the new shares

Advisers

Nomura Code have acted as financial advisers to Biotie, while Hannes Snellman Attorneys Ltd., Vischer Ltd and Morrison & Foerster LLP have acted as the company's legal advisers.

Wedbush PacGrow Life Sciences have acted as financial advisers to Synosia, with Bird & Bird Attorneys Ltd. and Blum&Grob Attorneys at Law Ltd have provided legal advice to Synosia in connection with the transaction.

About Biotie

Biotie is a specialised drug development company focused on central nervous system and inflammatory diseases. It has 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, including addiction and broad range of inflammatory conditions such as rheumatoid arthritis or chronic obstructive pulmonary disease (COPD). The most advanced product nalmefene for alcohol dependence is currently in Phase 3 clinical development by licensing partner H. Lundbeck A/S. Biotie is based in Turku, Finland and its shares are listed on NASDAQ OMX Helsinki Ltd.

For more information, please refer to www.biotie.com

About Synosia

Please see Appendix 1 below for more information on Synosia.

In Turku, 10 January 2011

Biotie Therapies Corp.

Board of Directors

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Conference call

An analyst and media conference call will take place on Tuesday, January 11, 2011 at 3.00 p.m. Central European Time. The conference call will be held in English.

Callers may access the conference directly at the following telephone numbers: US: +1 212 444 0481, UK: +44 (0)20 7138 0824 and Finland: +358 (0)9 2319 4345 access code **8664658**. 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, email virve.nurmi@biotie.com

Appendix 1 - Information on Synosia

Synosia Therapeutics Holding AG is a biopharmaceutical company focused on developing and commercialising innovative and clinically-differentiated products for neurodegenerative and psychiatric disorders. Synosia was founded around a portfolio of clinically enabled compounds licensed from Roche, Novartis, and Syngenta. Over the last four years, Synosia has conducted 10 clinical studies on five compounds and, based on the data obtained, has prioritised the portfolio of compounds to progress into more advanced stages of development.

Synosia is now focusing primarily on the development of SYN-115 and SYN-118 for Parkinson's disease, and SYN-120 for the treatment of cognitive disorders associated with Alzheimer's and schizophrenia.

Synosia Therapeutics Holding AG licensed SYN-115 from Roche and SYN-118 from Syngenta and maintains development and commercialisation rights to these programmes.

SYN-120 was licensed from Roche and Roche retains an opt-in right on this compound.

On 12 October 2010, Synosia Therapeutics Holding AG announced a strategic partnership with UCB where Synosia has granted UCB a license for exclusive, worldwide rights to SYN-115 and an option to rights to, SYN-118, for non-orphan indications. Under the agreement, UCB made an equity investment totalling \$20 million in Synosia Therapeutics Holding AG, and agreed to pay up to \$725 million in potential regulatory and commercial milestone payments.

Synosia Therapeutics Holding AG is domiciled in Basel, Switzerland. All significant operations of Synosia Therapeutics Holding AG are conducted by its wholly owned subsidiaries, Synosia Therapeutics, Inc. based in the United States and Synosia Therapeutics AG based in Switzerland. The commercial registry code of Synosia Therapeutics Holding AG is CH-270.3.013.998-7 and the accounting period is a calendar year.

The management of Synosia Therapeutics Holding AG consists of the following persons:

Name	Year of birth	Position	Joined company
Ian Massey, D.Phil.	1950	President and CEO	2006
Steve Bandak, MB BS MRCP	1950	CMO	2007

On 30 September 2010, Synosia Therapeutics Holding AG and its subsidiaries had 17 employees.

Prior to the transaction, the largest shareholders of Synosia Therapeutics Holding AG by means of basic equity holdings are:

Funds owned or managed by Versant Ventures	21.3%
Funds owned or managed by UCB	19.6%
Funds owned or managed by Novo A/S	16.3%
Funds owned or managed by Abingworth Management	10.4%
Funds owned or managed by 5AM Ventures	10.4%
Funds owned or managed by Investor Growth Capital	9.5%
Funds owned or managed by Aravis	6.0%
Other	6.5%

In connection with the transaction, the distribution of the new shares to be issued to Synosia's shareholders and warrant holders is based on their relative holdings in Synosia Therapeutics Holding AG. In such a distribution, the following groups may receive a quantity of shares in Biotie that corresponds to more than 5% of the total number of shares and votes in Biotie after the transaction:

Funds owned or managed by Versant Ventures
Funds owned or managed by UCB
Funds owned or managed by Novo A/S
Funds owned or managed by Abingworth Management
Funds owned or managed by 5AM Ventures

The aforementioned estimate is based on the market value of Biotie' shares at the time of signing of the Combination Agreement.

Certain financial information regarding Synosia

The following table presents selected financial information on Synosia as at and for the nine months ended on 30 September 2010, as at and for the six months ended on 30 June 2010 and 2009 and as at and for the financial years ended on 31 December 2009, 2008 and 2007. This information has been derived from Synosia's audited financial statements for the corresponding financial periods.

Synosia's unaudited interim financial statements as at and for the nine months ended on 30 September 2010 and as at and for the six months ended 30 June 2010 (with comparative information for the six month period in 2009) and Synosia's audited financial statements as at and for the years ended 31 December 2009 and 2008 (with comparative information for 2007), have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The figures presented in this stock exchange release, including the financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in this stock exchange release reflect calculations based upon the underlying figures prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

The exchange rates used to translate CHF to Euros are as follows: average rate for 1 January to 30 September 2010 of 1.400217 for income statement data and closing rate at 30 September 2010 of 1.3287 for the balance sheet data.

Income Statement Data

	1 January – 30 September 2010	1 January – 30 September 2010	1 January – 30 June 2010	1 January – 30 June 2009	1 January – 31 December 2009	1 January – 31 December 2008	1 January – 31 December 2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
	(EUR in thousands)		(CHF in thousands)		(US GAAP)		
Revenues							
Partnering revenue	1,139	1,595	-	-	-	-	-
Grant revenue	67	94	-	-	-	-	-
Total revenues	1,206	1,689	-	-	-	-	-
Operating expenses							
Research and development	8,073	11,304	6,174	7,031	12,771	13,882	7,464
General and administrative	2,381	3,334	1,965	2,559	3,674	7,308	4,639
Total operating expenses	10,454	14,638	8,139	9,590	16,445	21,189	12,103
Operating loss	9,248	(12,949)	(8,139)	(9,590)	(16,445)	(21,189)	(12,103)
Interest income	21	29	25	83	131	439	978
Interest expense	(915)	(1,282)	(904)	(995)	(1,912)	(1,342)	(43)
Other income/(expense)	(2,249)	(3,149)	431	375	(106)	(997)	14
Net Loss	(12,392)	(17,351)	(8,587)	(10,127)	(18,332)	(23,090)	(11,154)
Less: Net loss attributable to the non-controlling interest	-	-	-	101	200	245	313
Net loss attributable to Synosia Therapeutics Holding AG	(12,392)	(17,351)	(8,587)	(10,026)	(18,132)	(22,845)	(10,841)

Balance Sheet Data

	30 September 2010 (unaudited) EUR in thousands	30 September 2010 (unaudited) CHF in thousands (US GAAP)	30 June 2010 (unaudited)	2009 (unaudited)	31 December 2009 (audited)	2008 (audited)	2007 (audited)
Assets							
Current assets	38,773	51,518	20,624	39,768	28,998	34,116	24,511
Non-current assets	88	117	160	256	197	300	137
Total Assets	38,861	51,635	20,784	40,042	29,195	34,415	24,648
Liabilities, Minority Interest and Shareholders' Equity							
Current liabilities	11,791	15,667	8,961	4,735	6,080	3,353	1,795
Non-current liabilities	6,228	8,275	7,974	14,583	10,712	16,171	563
Total liabilities	18,019	23,942	16,935	19,318	16,792	19,524	2,358
Total Synosia Therapeutics Holding AG shareholders' equity	20,842	27,693	3,849	20,792	12,538	14,891	22,290
Non-controlling interest -	-	-	-	(68)	(135)	-	-
Total shareholders' equity	20,842	27,693	3,849	20,724	12,403	14,891	22,290
Total liabilities, non- controlling interest and shareholders' equity	38,861	51,635	20,784	40,042	29,195	34,415	24,648