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Biotie to Acquire Newron Creating a Leading European Biopharmaceutical Company Focused on Central Nervous System Drug Development

BIOTIE THERAPIES CORP. STOCK EXCHANGE RELEASE 27 September 2011 at 8.00 a.m. (Helsinki time)

Biotie to Acquire Newron Creating a Leading European Biopharmaceutical Company Focused on Central Nervous System Drug Development

Conference Call today 27 September 2011, 10:00 a.m. Central European Time (9:00 a.m. BST)

Biotie Therapies Corp. ("Biotie" or "Company", NASDAQ-OMX; BTH1V) and Newron Pharmaceuticals S.p.A. ("Newron", SIX; NWRN) today announced that they have signed an agreement for Biotie to acquire Newron in a transaction valued at EUR 45 million (the "Transaction"). The Transaction is still subject inter alia to the approval by the EGM of Newron expected to be convened at the end of October 2011.

In acquiring Newron Biotie creates:

- A deep pipeline with two drugs, nalmefene and safinamide, in late-stage Phase 3 development targeting alcohol dependence and Parkinson's disease, respectively
- Two opportunities for near-term revenue generation in CNS markets
- A critical mass and a broad and risk-diversified pipeline of clinical-stage compounds, focused on disorders of the central nervous system (CNS) and niche inflammatory disease
- A biopharmaceutical company with significant CNS expertise, international operations and industry leading partners including Lundbeck, Roche, Merck Serono and UCB Pharma

Timo Veromaa, President and Chief Executive Officer (CEO) of Biotie, commented: "We are excited about our acquisition of Newron Pharmaceuticals, a company with a considerable presence in the CNS space and a compelling late-stage asset in safinamide with potential for significant near-term milestones. Our combined portfolio, addressing major market opportunities, promises to deliver differentiated novel medicines to patients in areas of unmet medical need.

"We see this transaction as a win-win for both companies' shareholders and it confirms Biotie as a key consolidator of high-quality CNS assets. We look forward to optimising the combined robust product pipeline to create value for our shareholders, partners and other stakeholders," he added.

Luca Benatti, Managing Director and Chief Executive Officer of Newron, stated: "We have been working hard to find the right partner and in Biotie we believe we have the best combination to create a European entity with critical mass to ensure that our pipeline will generate value for our shareholders."

Conference call

Biotie and Newron will host a conference call on Tuesday 27 September 2011 at 10:00 a.m. Central European Time. The conference call will be held in English.

Callers may access the conference directly at the following telephone numbers: US: +1 646 254 3364, UK: +44 (0)20 3427 1911 and Finland: +358 (0)9 2310 1620 access code 4367775. Lines are to be reserved ten minutes before the start of the 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

Two late stage products

Nalmefene, Biotie's lead product, is an orally administered drug that completed Phase 3 clinical development in Q2 2011 for the treatment of alcohol dependence. Biotie's development and commercialization partner Lundbeck plans to file a marketing authorization application (MAA) in Europe in the second half of 2011.

Newron's safinamide is an oral once-a-day potential adjunctive therapy for all stages of Parkinson's disease (PD). The safinamide clinical program includes completed studies 015, 016, 017, and 018. Data from two further registration-enabling Phase 3 studies, MOTION and SETTLE, are expected in H1 2012. Merck Serono has exclusive worldwide rights to develop, manufacture and commercialize safinamide in Parkinson's disease, Alzheimer's disease and other therapeutic applications, as per the agreement signed with Newron in 2006.

The merger consideration

The Transaction is to be effected as a European Union cross-border merger. According to the Merger Plan, Biotie will issue to the shareholders of Newron, at the execution of the merger, a maximum of 89,108,147 in initial Consideration Shares, with the possibility of additional contingent consideration consisting of options and a receivable intended to be used to pay the subscription price for shares subscribed based on such options, such additional consideration hereinafter referred to as the "Contingent Value Rights ("CVR"). Such CVRs shall consist of a maximum of 17,048,298 Consideration Options, dependent upon the achievement of certain milestones, conditionally entitling Newron shareholders to a total maximum of 17,048,298 Biotie shares. The Conditional Consideration is described in more detail in Appendix 1 of this release.

As at the closing price of 26 September 2011, Newron's share price equivalent of EUR 3.50, Biotie's share price of EUR of 0.42 giving a transaction value of EUR 45 million, should both CVR's be received in full.

Based on the initial Consideation Shares, this represents an implied One-Day Premium for Newron shareholders of 38.3%. Former Newron shareholders will hold 21.5% of the absorbing company post execution of the Transaction, should both CVRs be received in full.

Once registered with the Finnish Trade Register, the Consideration Shares will rank pari passu in every respect with the existing shares in Biotie. The Consideration Options shall carry the rights specified in the respective terms and conditions of such options.

The Consideration Shares and the Consideration Options are issued based on the authorisation given to Biotie's Board of Directors by the Annual General Meeting held on 6 May 2011.

About the new organization

Biotie will continue to focus on the development of innovative, clinically differentiated medicines to address unmet medical needs primarily associated with neurological and psychiatric diseases and selected inflammatory diseases.

Timo Veromaa, President and CEO of Biotie will continue in his current position.

Luca Benatti, Managing Director and CEO of Newron will continue to lead Newron through to the closing of the deal, after which he will step down to pursue other opportunities.

The following current Biotie executives will continue in their positions:

Stephen Bandak, Chief Medical Officer;

Ian Massey, Chief Operating Officer and President, US Operations; and

Chris Piggott, Chief Business Officer.

The management team of Biotie as at closing of the Transaction is to be strengthened by the addition of Newron's Chief Financial Officer (CFO), Stefan Weber, who joined Newron in 2005 prior to its IPO in 2006. He has more than 20 years of industry experience in finance and has served as CFO of both public and private biotechnology companies since 2000.

No changes will take place in the board of directors of Biotie: Peter Fellner will continue as chairman, and Bradley J. Bolzon, William M. Burns, Merja Karhapää, Bernd Kastler, Ismail Kola, Guido Magni, Andrew J. Schwab, Piet Serrure and James S. Shannon continue as members of the board.

The Transaction is not expected to affect Biotie's operations or organizations in Finland and in the US. The structure of the Newron organization in Italy and Switzerland will be reviewed and restructuring is planned.

As at 30 June 2011, the number of personnel at Biotie was 39 and the total number at Newron was 29.

Financial information

Biotie reported revenues of EUR 0.9 million for the first two quarters of 2011. Liquid assets were EUR 40.9 million, as at 30 June 2011. Biotie's research and development costs from continuing operations for the same period amounted to EUR 9.3 million.

Newron reported revenues of EUR 4.2 million for the first two quarters of 2011, EUR 0.8 million for the year 2010 and EUR 2.5 million for the year 2009. Newron's liquid assets were EUR 10.2 million as at 30 June 2011, EUR 8.1 million as at 31 December 2010 and EUR 24.3 million as at 31 December 2009. Newron's research and developments costs amounted to EUR 2.3 million for the first two quarters of 2011, EUR 15.9 million for the year 2010 and EUR 18.5 million for the year 2009.

Biotie's earnings per share will be affected by the Transaction as the revenues and results of Newron and Biotie are combined to consolidated financial statements, and Biotie will issue new shares to the shareholders of Newron.

About the combined pipeline

The combined product pipeline represents a strong and balanced portfolio of novel drugs for diseases with high unmet medical need. In addition to nalmefene and safinamide, the pipeline currently includes:

SYN-115 (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 licence to UCB Pharma for the development of the compound through Phase 3 trials and subsequent commercialization.

SYN-118 (nitisinone), an orally administered, small-molecule inhibitor of 4-hydroxyphenyl-pyruvate dioxygenase (HPPD4) for movement disorders. SYN118 is subject to an option agreement with UCB.

SYN-120, an orally administered antagonist of the 5-HT6 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.

SYN-117 (nepicastat), an orally administered, potent and selective inhibitor of the enzyme dopamine beta-hydroxylase (DBH) . The compound is in a Phase 2 study, funded by the US Department of Defense, for the treatment of post-traumatic stress disorder (PTSD).

BTT-1023, 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 inhibitor (PDE4) in development for the treatment of chronic obstructive pulmonary disease (COPD). Biotie is seeking a partner for further development and commercialization of this product.

The further clinical development of Newron's ralfinamide for pain and psychiatric diseases is currently being evaluated. Newron's additional projects are at various stages of preclinical and clinical development, including HF0220 for neuroprotection, NW-3509 for the treatment of schizophrenia, as well as pruvanserin and sarizotan for the treatment of CNS diseases. Merck Serono will retain buy-back options at attractive terms for each compound upon completion of proof-of-concept trials. Should these options be used by Merck Serono, Newron will have a so-development option.

A pipeline review is expected to be conducted after the closing of the Transaction.

About the Transaction

The Boards of Directors of Biotie and Newron have on 26 September 2011 approved and subsequently signed a joint merger plan to govern the Transaction (the "Merger Plan") together with a combination agreement.

Under the terms of the Merger Plan, Newron will merge into Biotie and all of its assets, rights, debts and other liabilities will transfer to Biotie. The shareholders of Newron will receive a share consideration consisting of an initial consideration of a maximum total of 89,108,147 new shares in Biotie (the "Consideration Shares") as well as two CVRs, the realization of which are dependent on reaching agreed development stages of Newron's most advanced product safinamide during the 24 months following the announcement of the Transaction (the "Conditional Consideration").

Such Conditional Consideration shall be payable in the form of two tranches of options (the "Consideration Options") entitling Nerwron shareholders to subscribe to an additional maximum total of 17,048,298 Biotie shares and a receivable that is intended to be used for the purposes of payment of the subscription price of the Biotie shares subscribed based on the options.

Biotie and Newron have jointly appointed KPMG Oy Ab as an independent expert in relation to the merger and the expert is expected to give its statement on the Merger Plan on or about 29 September 2011, after which the Merger Plan will be filed both with the Italian Companies' Register and the Finnish Trade Register and a separate notice of call of the EGM of Newron will be published in the Swiss newspapers Neue Zuercher Zeitung and Le Temps as well as in Italian newspaper Milano Finanza on or about 30 September 2011.

The acquisition remains subject to the approval of the EGM of Newron to be held around the end of October 2011, the approval of the Board of Directors of Biotie, the fulfilment of the relevant procedural requirements under applicable legislation and certain additional conditions described below under "Execution of the Transaction", and is expected to be executed on or about the end of December 2011 at which date the Consideration Shares and Consideration Options will be issued.

Subsequent to the execution of the merger, Biotie will issue a prospectus for the listing of the Consideration Shares and will apply for the listing of the Consideration Shares.

In connection with the merger, it is agreed that the shares and options issued to the current members of Newron's Board of Directors and management may not be transferred during a maximum period of six (6) months from the execution of the Merger 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 certain situations such as offers made for Biotie shares that would result in the offeror obtaining control of Biotie, or disposals required by any law, competent authority or court order.

Biotie pre-Transaction capitalization	
Biotie's shares and votes outstanding	376,178,122
Treasury shares held by Biotie's group companies	11,416,335
Biotie's total shares in issue	387,594,457

Consideration Shares and Consideration Options to be issued	
Consideration Shares to be issued to Newron shareholders	89,108,147
Consideration Options to be issued to Newron shareholders	17,048,298

Post-Transaction capitalization	
Total shares and votes outstanding post-Transaction (excluding treasury shares held by Biotie's group companies)	465,286,269
Total shares post-Transaction	476,702,604

Execution of the Transaction

The Transaction is subject to the approval by Newron shareholders at the EGM to be held around the end of October 2011, approval by the Board of Directors of Biotie, the receipt of the required report from the independent expert, the fulfilment of the relevant procedural requirements under applicable legislation and certain additional conditions described below. Newron will publish an invitation to the EGM separately, which will contain full details of the proposed resolutions. The Board of Directors of Newron unanimously recommends that the EGM approves the Merger.

The Transaction will be completed as soon as the procedural requirements are fulfilled and the respective resolutions made by the EGM of Newron and the Board of Directors of Biotie, provided that also the other prerequisites for the completion are fulfilled. In connection with the completion of the Transaction, Newron will be delisted from the SIX Swiss Exchange. Biotie will separately announce the registration of the Merger Plan and the registration of the completion of the Merger.

Subsequent to the completion of the Transaction, Biotie will apply to list the Consideration Shares on NASDAQ OMX Helsinki Ltd. Trading of the Consideration 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 Consideration Shares after the execution of the merger.

The completion of the merger is subject the fulfilment of the usual conditions under applicable legislation and to certain conditions agreed upon between the parties. Such conditions include (i) the acceleration or annulment of the options issued by Newron, (ii) the reaching of an agreement with Newron's managers on the terms and conditions of employment, (iii) the acquiring of relevant consents, approvals, waivers from certain contractual counterparties (iv) the absence of court or authority orders prohibiting the consummation of the merger, (v) the absence of material adverse effect on the assets, business, financial condition or results of operation of Biotie and/or Newron, (vi) the funding requirements of Biotie in relation to the operations of Newron not exceeding agreed thresholds, (vii) Biotie and/or Newron not withdrawing from the merger or mutually agreeing to terminate the merger procedure and (viii) certain other conditions.

Expected timetable of certain events

27 September 2011	Merger Plan and combination agreement signed
End of September 2011	Invitation to the EGM of Newron
End of October 2011	EGM of Newron
End of December 2011	Registration of the execution of the merger, Consideration Shares and Consideration Options issued
Q1 2012	Listing Prospectus will be available
Q1 2012	Consideration Shares and Consideration Options registered with the Finnish Trade Register
Q1 2012	Admission to trading of the Consideration Shares

Advisers

Cowen and Company LLC is acting as exclusive financial adviser to Biotie, while Hannes Snellman Attorneys Ltd., Studio Legale Delfino e Associati, Wilkie Farr & Gallagher, LLP and Blum & Grob Attorneys at Law Ltd have acted as the Company's legal advisers.

JSB Partners LLC have acted as financial advisers to Newron, while Chiomenti Studio Legale have provided legal advice to Newron in connection with the Transaction.

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, Seikagaku Corporation and, following the acquisition of Newron, Merck Serono.

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

Founded in 1992 and headquartered in Turku, Finland, Biotie was the first biotechnology company to be listed on the Helsinki Stock Exchange in 2000. Through acquisitions and mergers, it has since expanded to cover Europe and the US with teams in San Francisco, US; Basel, Switzerland; and Turku, Finland.

Biotie's shares are listed on NASDAQ OMX Helsinki exchange. For more information, please refer to www.biotie.com

About Newron

Newron Pharmaceuticals S.p.A. is a biopharmaceutical company focused on novel therapies for diseases of the central nervous system and pain. Phase 3 trials of safinamide are currently ongoing for the treatment of Parkinson's disease (PD). As per the agreement signed with Newron in 2006, Merck Serono, a division of Merck KGaA, Darmstadt, Germany ("Merck Serono"), has exclusive worldwide rights to develop, manufacture and commercialize the compound in PD, Alzheimer's disease, and other therapeutic applications.

Newron Pharmaceuticals S.p.A. is domiciled in Bresso, Italy. Newron Pharmaceuticals S.p.A.'s Italian company registration code is 02479490126 (Milan) and its financial period is the calendar year. Newron Pharmaceuticals S.p.A. is the parent company of (i) Newron Suisse SA, a clinical development fully owned subsidiary based in Basel (Switzerland) established during 2007; and (ii) Hunter-Fleming Limited, a private biopharmaceutical company based in Bristol (United Kingdom) and focused on neurodegenerative and inflammatory disorders, which has been acquired in 2008.

As at 26 September 2011, to the best of the company's knowledge, the largest shareholders of Newron Pharmaceuticals S.p.A. by means of basic equity holdings are: Goodman and Company (ownership percentage 9.7%), Great Point Partners (9.1%), 3i Group plc (7.4%), NWB Investissements S.p.r.l. (5.7%), TVM Life Science Ventures VI GmbH & Co. KG (3.8%) and Aviva Investors (3.2%). In connection with the Transaction, the distribution of the Consideration Shares and Consideration Options to be issued to Newron's shareholders is based on their relative holdings in Newron Pharmaceuticals S.p.A.

Newron's shares are listed on the SIX Swiss Exchange. For more information, visit www.newron.com

More detailed information on certain financial information on Newron is included in Appendix 2 to this release.

In Turku, 27 September 2011

Biotie Therapies Corp.

Board of Directors

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Appendix 1 - Description of the Conditional Consideration

The Conditional Consideration to be received by the shareholders of Newron in addition to the Consideration Shares upon the execution of the merger consists of:

A) A first additional consideration of:

a. A maximum total amount of 8,524,149 options entitling to conditionally subscribe for a maximum of 8,524,149 ordinary shares in Biotie upon the achievement of the First Milestone as defined below (and such number of shares being further subject to a possible Adjustment as defined below) (the "A Options"), subject to the terms and conditions such options, and the holders of A Options being further entitled to

b.A conditional maximum payment of EUR 85,241.49 upon the achievement of the First Milestone as defined below (such amount being further subject to a possible Adjustment as defined below) (the "First Conditional Payment"), and such First Conditional Payment being payable by setting off the subscription price for the subscription of a maximum of 8,524,149 ordinary Biotie shares, based on the A Options and the terms and conditions of such options. The First Conditional Payment shall be paid only upon the achievement of the following milestone (the "First Milestone"): within 24 months from the date of first announcement to the market of the merger, any company of the Merck Serono Group (or its rightful successor or assignee) submits a regulatory filing for the market authorisation of safinamide as adjunctive therapy to Levodopa in the United States or in Europe under the centralized procedure.

B) A second additional consideration of:

a. A maximum total amount of 8,524,149 Options entitling to conditionally subscribe for a maximum of 8,524,149 ordinary shares in Biotie upon the achievement of the Second Milestone as defined below (and such number of shares being further subject to a possible Adjustment as defined below), (the "B Options") and subject to the terms and conditions of such options, and the holders of B Options being further entitled to

b.A conditional maximum payment of EUR 85,241.49 upon the achievement of the Second Milestone as defined below (such amount being further subject to a possible Adjustment as defined below) (the "Second Conditional Payment"), and such Second Conditional Payment being payable by setting off the subscription price for the subscription of a maximum of 8,524,149 ordinary Biotie shares, based on the B Options and the terms and conditions of such options. The Second Conditional Payment shall be paid only upon the achievement of the following milestone (the "Second Milestone"): within 24 months from the date of first announcement to the market of the merger, any company of the Merck Serono Group (or its rightful successor or assignee) submits a regulatory filing for the market authorisation of safinamide as adjunctive therapy to dopamine agonists in the United States or in Europe under the centralized procedure.

In accordance with the Merger Plan, the number of Biotie shares that the A or B Options entitle to subscribe and the First or Second Conditional Payment described above (the milestone of which is achieved first), if any, may be reduced in case a the funding requirements of Biotie in relation to the operations of Newron would exceed a level agreed upon between Biotie and Newron in the Merger Plan (the "Adjustment").

ENDS

Appendix 2_Certain Financial Information on Newron