



Press Release

QLT Announces Appeal Court Decision on Massachusetts Eye and Ear Infirmary Litigation

Court of Appeals Finds Against QLT and Upholds District Court Decision

VANCOUVER, Jan. 12 /PRNewswire-FirstCall/ - QLT Inc. (NASDAQ: QLTI; TSX: QLT) announced that the United States Court of Appeals for the First Circuit (the "Court of Appeals") today affirmed the judgment of the United States District Court for the District of Massachusetts (the "District Court") in the lawsuit brought against QLT by Massachusetts Eye and Ear Infirmary ("MEEI") in connection with events related to U.S. patent # 5,798,349 (the "'349 patent") and certain of MEEI's research results related to QLT's Visudyne(R). The Court of Appeals upheld the liability and damages aspects of the 2007 judgment of the District Court in which QLT was found liable under Massachusetts state law for unfair trade practices and ordered to pay to MEEI damages equal to 3.01% on past, present and future worldwide net sales of Visudyne(R) plus interest and certain legal fees.

The decision of the District Court had included an award to MEEI of legal fees in an amount of \$14.1 million, to which was applied a reduction of \$3 million previously agreed to by MEEI. The Court of Appeals ordered that the amount of legal fees payable by QLT be remanded to the District Court for further consideration. QLT is currently reviewing the decision of the Court of Appeals with its legal counsel and considering its options for further appellate review.

Unless the decision is altered on further review, based on net sales of Visudyne(R) through December 31, 2008 of approximately \$2.6 billion, QLT estimates that the amount of damages and interest that QLT is required to pay MEEI is approximately US\$113.2 million. The amount of legal fees and post-judgment interest on those legal fees is yet to be determined. In addition, Massachusetts General Hospital has made a claim to QLT for increased payments based on the amounts QLT must pay to MEEI, a claim that QLT is disputing but that has not been resolved. Massachusetts General Hospital may commence litigation against QLT at any time.

As of September 30 2008, QLT had cash, short term investments and restricted cash totaling US\$279.9 million. That amount included restricted cash of approximately US\$124.0 million that is being used as security for the appeal bond that was posted in connection with the appeal in the MEEI litigation decided by the Court of Appeals. Subject to further review, QLT expects that the current amount of the damages award will initially be paid out to MEEI from QLT's restricted cash used to secure the appeal bond. Amounts owing under the District Court decision by QLT to MEEI on future quarterly sales of Visudyne will be recorded and paid as they are due.

As a result of the Court's decision today QLT will be mailing to shareholders on or about Friday January 16, 2009 a notice prescribed by Canadian securities laws describing this change in the Company's affairs and extending the expiry date of the Company's modified "Dutch Auction" tender offer.

About QLT

QLT Inc. is a global biopharmaceutical company dedicated to the discovery, development and commercialization of innovative therapies. Our research and development efforts are focused on pharmaceutical products in the field of ophthalmology. In addition, we utilize three unique technology platforms, photodynamic therapy, Atrigel(R) and punctal plugs with drugs, to create products such as Visudyne(R) and Eligard(R) and future product opportunities. For more information, visit our web site at

www.qltinc.com.

QLT Plug Delivery, Inc. is a wholly-owned subsidiary of QLT Inc.
Atrigel is a registered trademark of QLT USA, Inc. Visudyne is a registered trademark of Novartis AG.
Eligard is a registered trademark of Sanofi-aventis.

QLT Inc. is listed on The NASDAQ Stock Market under the trading symbol "QLTI" and on The Toronto Stock Exchange under the trading symbol "QLT."

Certain statements contained in this press release, which are not historical facts, are forward-looking statements, as the term is defined in the Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by QLT's use of words such as, "expect," "plans," "estimates," "intends," "believes" and similar expressions that do not relate to historical matters. Such forward-looking statements are subject to risks and uncertainties which can cause actual results to differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, the ultimate outcome of the litigation against QLT is uncertain, any further legal review may be unavailable or may result in a decision even more unfavourable to QLT, and other factors as described in detail in QLT's Annual Information Form and Annual Report on Form 10-K, quarterly reports on Form 10-Q and other filings with the U.S. Securities and Exchange Commission and Canadian securities regulatory authorities. If judgment in the MEEI appeal is not reviewable, or if any such review is resolved unfavourably to QLT, QLT could be liable for the full amount of the damages. All forward-looking statements in this press release are made as of today, based upon information known to QLT as of the date hereof. QLT assumes no obligation to update or revise any of its forward-looking statements even if experience or future changes show that indicated results or events will not be realized.

SOURCE QLT Inc.

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