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news release

QLT ANNOUNCES FAVORABLE COURT DECISION IN MASSACHUSETTS EYE AND EAR INFIRMARY (MEEI) LITIGATION

Court Has Determined That There Was No Merit To Any Of MEEI's Claims And Entered Judgement In Favor Of QLT

For Immediate Release

September 24, 2002

VANCOUVER, CANADA—QLT Inc. (NASDAQ: QLTI; TSE: QLT) reported today that the United States District Court for the District of Massachusetts has entered judgment in favor of QLT on all claims brought against it by Massachusetts Eye and Ear Infirmary (“MEEI”) in a lawsuit commenced by MEEI on April 24, 2000 (Civil Action No. 00-10783-JLT).

In granting summary judgment for QLT on each of the eight counts of the complaint, the court determined that there was no merit to any of MEEI’s claims, and that QLT was entitled to judgment as a matter of law. MEEI’s complaint had alleged breach of contract, misappropriation of trade secrets, conversion, misrepresentation, unjust enrichment, and unfair trade practices and sought damages, an injunction, and other relief.

“From the day this suit was brought, we were confident that there was no basis to MEEI’s claims, and we are gratified that after reviewing the evidence, the district court agreed,” said Paul Hastings, president and chief executive officer of QLT.

MEEI’s lawsuit was brought in connection with a dispute involving U.S. Patent No. 5,798,349 (the “’349 Patent”), which claims certain inventions relating to the use of verteporfin as the photoactive agent in the treatment of certain eye diseases including Age Related Macular Degeneration (“AMD”). The ‘349 Patent was issued on August 25, 1998, to QLT, MEEI and Massachusetts General Hospital (“MGH”) as co-owners.

On May 1, 2001, MEEI brought a second lawsuit in the District of Massachusetts (Civil Action No. 01-10747-EFH) against both QLT and Novartis Ophthalmics, Inc. That lawsuit alleges infringement of United States Patent No. 6,225,303 (the “’303 Patent”) issued to MEEI. The ‘303 Patent is derived from the same patent family as the ‘349 Patent and claims a method of treating unwanted choroidal neovasculation in a shortened treatment time using verteporfin. The patent application which led to the issuance of the ‘303 patent was filed and prosecuted by attorneys for MEEI and, in contrast to the ‘349 patent, named only MEEI researchers as inventors. In response to MEEI’s second lawsuit, QLT and Novartis Ophthalmics brought counterclaims against MEEI requesting, among other things, that the court correct inventorship on the ‘303 Patent by naming researchers from QLT and Massachusetts General Hospital (“MGH”) as joint inventors and declaring that QLT and MGH are co-owners of the ‘303 Patent.

MGH subsequently intervened in the lawsuit and filed a complaint against MEEI similarly requesting correction of inventorship to name QLT and MGH researchers as joint inventors of the '303 Patent. This second suit is still pending.

Visudyne was discovered by researchers at QLT in the mid-1980s. It was subsequently developed for various ocular conditions by QLT and Novartis Ophthalmics, the eye health unit of Novartis AG. The U.S. Food and Drug Administration approved Visudyne for patients with age-related macular degeneration (AMD), the leading cause of blindness in people over the age of 50, on April 12, 2000.

Visudyne therapy is protected by a series of U.S. and foreign-issued patents either owned by or under exclusive license to QLT, that cover the composition of matter, formulations and manufacturing, and the method of use in treating AMD and other conditions.

QLT is represented in the two MEEI lawsuits by Mr. Donald R. Ware, of the law firm of Foley Hoag LLP based in Boston, Massachusetts.

QLT Inc. is a global biopharmaceutical company dedicated to the discovery, development, and commercialization of innovative therapies to treat cancer, eye diseases and immune disorders. Combining expertise in ophthalmology, oncology and photodynamic therapy, QLT has commercialized two products to date, including Visudyne therapy, which is the most successfully launched ophthalmology product ever. For more information, visit our web site at www.qltinc.com

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Visudyne® is a trademark of Novartis AG.

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 in this press release, which can be identified by language such as "will be" or "may have" or similar expressions, constitute "forward-looking" statements of QLT and Novartis AG within the meaning of the Private Securities Litigation Reform Act of 1995, which involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Such statements include, but are not limited to those with respect to the nature and prospects of the pending patent litigation. These statements are only predictions and actual events or results may differ materially. Factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements include, but are not limited to: that there can be no assurance that this judgement will not be appealed, that the outcome of the pending patent litigation against us is uncertain and may be unfavorable and other factors as described in detail in QLT Inc.'s Annual Information Form on Form 10-K and recent and forthcoming quarterly reports on Form 10Q, Novartis AG's Form 20-F, and other filings with the US Securities and Exchange Commission and Canadian Securities Regulatory authorities. Forward-looking statements are based on our current expectations and QLT and Novartis AG are not obligated to update such information to reflect later events or developments.