



ForSight Labs Announces Acquisition of ForSight Newco II by QLT, Inc.

MENLO PARK, Calif., Oct. 9 /PRNewswire/ -- ForSight Labs LLC announced today that its second spin out company, privately held ForSight Newco II, Inc., has entered into an agreement to be acquired by QLT Inc. (Nasdaq: QLTI; TSX: QLT). The acquisition includes ForSight Newco II's proprietary ocular punctal plug drug delivery system. This system has the potential for multiple product opportunities, including treatment of glaucoma. Glaucoma affects ~65 million people worldwide and is the second leading cause of blindness. Approximately 99% of glaucoma patients are treated with topical medications; this new technology could address the uncertainty of patient-administered daily drops.

"We are thrilled to be working with QLT," said Hanson S. Gifford III, Chairman of ForSight Labs and President and CEO of ForSight Newco II. "QLT 's team is powerfully positioned with the experience and focus to maximize the clinical impact of this platform drug delivery technology."

Under the terms of the agreement, QLT will acquire all of the outstanding shares of ForSight Newco II for \$42 million on closing, along with future milestone payments and royalties on net sales of products. The milestone payments consist of a one-time \$5 million payment upon the initiation of a phase III clinical trial meeting certain criteria, \$20 million on first commercialization of each of the first two products using ForSight Newco II's proprietary technology and \$15 million on first commercialization of each subsequent product. The acquisition is expected to close early in the fourth quarter of 2007 and is subject to customary closing conditions. On completion of the acquisition, ForSight Newco II will become a wholly-owned subsidiary of QLT. Through this acquisition, QLT, via its wholly-owned subsidiary, will obtain worldwide rights to commercialize ForSight Newco II's proprietary punctal plug technology combined with any active pharmaceutical ingredient. QLT will lead and fund future development efforts in this program.

"This transaction represents an important milestone toward our goal of founding successful companies that provide caregivers new therapies that preserve the power of vision for patients," said K. Angela Macfarlane, President and CEO of ForSight Labs. "The ForSight team has demonstrated its ability to efficiently create dramatic new opportunities in ophthalmology," said William J. Link, Ph.D., Managing Director at Versant Ventures and Chairman of ForSight Newco II. ForSight Newco II was funded by three of the leading venture capital firms in the medical device field: Versant Ventures, Split Rock Partners, and Morgenthaler Ventures .

About ForSight Labs, LLC

ForSight New Co. II is the second company to be spun out of ForSight Labs LLC (<http://www.forsightlabs.com>), an ophthalmic technology incubator established in 2005 by renowned ophthalmologist and retinal surgeon Eugene de Juan, Jr. MD in collaboration with The Foundry (<http://www.thefoundry.com>). In late 2006, ForSight Labs launched its first company, Transcend Medical, Inc. ForSight Labs is backed by investors Morgenthaler Ventures (<http://www.morgenthaler.com>), Split Rock Partners (<http://www.splitrock.com>), and Versant Ventures (<http://www.versantventures.com>). ForSight Labs is a community of ophthalmic innovation focused on improving the sight, care, and quality of life of visually impaired patients by creating high-impact eye care companies.

About Morgenthaler Ventures

Morgenthaler Ventures is a leading, national venture capital team with offices in Menlo Park, CA; Boston, MA; Princeton, NJ, Boulder, CO; and Cleveland, OH. It concentrates its investments in life sciences and information technology.

Morgenthaler's Life Science Team focuses on medical devices and therapeutic pharmaceuticals. Recent investments include Avidia, Morphotek, Threshold Pharmaceuticals, Replidyne, Orexigen, Thermage, Emphasys, Satiety, Cierra, Ardian, Cabochon Aesthetics, Transcend and Xtent. The firm has approximately \$2.5 billion under management and has funded more than 250 companies since 1968. For more information on Morgenthaler portfolio companies and the firm, please visit: <http://www.morgenthaler.com/ventures>.

About Split Rock Partners

Split Rock Partners, with offices in Menlo Park and Minneapolis, invests in emerging opportunities in healthcare and internet services primarily on the West Coast and the Upper Midwest. Split Rock Partners was formed in June, 2004 by the healthcare and software investment teams of St. Paul Venture Capital. In April, 2005, Split Rock announced the closing of a new \$275 million venture fund. Split Rock Partners' portfolio of healthcare investments has included such industry leading companies as SpineTech, The Foundry, Dexcom, Emphasys Medical, Xtent, Atritech, Prometheus Labs, and many others. Additional information about the firm can be found at <http://www.splitrock.com>.

About Versant Ventures

Founded in 1999, Versant Ventures is a leading healthcare venture capital firm that currently manages over \$1 billion in committed capital. Since its formation, Versant has invested in more than 75 companies in the Medical Device, Biotech, Healthcare Services and Healthcare Information Technology sectors. The Versant team of twelve investment professionals located in Menlo Park and Newport Beach bring together more than 175

years of combined experience and success as venture capitalists and entrepreneurs. Versant invests in early-stage healthcare companies promising to be significant, long-term market leaders. For additional information, please visit <http://www.versantventures.com>.

About QLT, Inc.

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 fields of ophthalmology and dermatology. In addition, we utilize two unique technology platforms, photodynamic therapy and Atrigel(R), to create products such as Visudyne(R) and Eligard(R). For more information, visit our web site at <http://www.qltinc.com>.

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."