FOUR SEASONS HOTELS INC.

MATERIAL CHANGE REPORT

1. Reporting Issuer

Four Seasons Hotels Inc.
1165 Leslie Street
Toronto, Ontario
M3C 2K8

2. Dates of Material Changes

September 16, 1999 and September 22, 1999

3. Press Releases

Press releases were issued on September 17, 1999 and September 23, 1999.

4. Summary of Material Change

On September 16, 1999 Four Seasons Hotels Inc. ("FSHI" or the "Company") entered into a underwriting agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Canada Inc., (collectively, "Merrill Lynch") pursuant to which Merrill Lynch agreed to acquire US$570,020,000 principal amount at maturity of the Company's Liquid Yield Option™ Notes ("LYONs"), which are convertible into the Company's Limited Voting Shares.

The sale of US$570,020,000 principal amount at maturity of the LYONs was completed on September 23,1999.

5. Full Description of Material Change

On September 16, 1999, FSHI and Merrill Lynch executed an underwriting agreement pursuant to which Merrill Lynch agreed to acquire US$570,020,000 principal amount at maturity of the Company's LYONs. Each US$1,000 principal amount at maturity of LYONs is convertible into 5.284 Limited Voting Shares. Pursuant to the underwriting agreement, the Company granted to Merrill Lynch an option to acquire up to approximately an additional US$85,000,000 principal amount at maturity of LYONs to cover over-allotments.

On September 16, 1999, a final prospectus concerning this offering was filed with the Securities and Exchange Commission and the provincial securities commissions of each province of Canada. Supplementary materials relating to the pricing of the offering were filed on September 17, 1999.

The sale of US$570,020,000 principal amount at maturity of LYONs was completed on September 23, 1999.

Of the approximate net proceeds of US$144,000,000, the Company intends to use approximately US$55,000,000 to repay existing bank indebtedness. The balance will be used for general working capital purposes.

In connection with the offering, the LYONs were approved for listing on the New York Stock Exchange.

6. Confidentiality.

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officer

Any enquiries with respect to this material change report or the transactions described in this material change report should be made to:

Kathleen Taylor
Executive Vice President, Chief Corporate Officer and Secretary
Four Seasons Hotels Inc.
1165 Leslie Street
Toronto, Ontario
M3C 2K8
(416) 449-1750

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 27th day of September, 1999.

"Kathleen Taylor"
Kathleen Taylor
Executive Vice President