

FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

Calian Technology Ltd. ("Calian")
2 Beaverbrook Road
Ottawa, ON K2K 1L1

Item 2 Date of Material Change

January 25, 2005

Item 3 News Release

Press Release of Calian issued January 25, 2005 and attached as Exhibit "A" to this report.

Item 4 Summary of Material Change

On January 25, 2005 Calian announced that it has been served with a Statement of Claim by Med-Emerg International Inc. claiming \$100 million in damages from Calian and another party.

Item 5 Full Description of Material Change

On January 25, 2005 Calian announced that it has been served with a Statement of Claim by Med-Emerg International Inc. claiming \$100 million in damages from Calian and another party for breach of confidence, breach of fiduciary duty and unlawful interference with economic interests. The claim relates to a previously announced limitation of expenditure contract between Calian and the Department of National Defence of the Government of Canada. The initial five-year contract is valued at more than \$400 million and contains options for an additional five-year period which, if exercised, could more than double the total value of the contract. Med-Emerg International Inc. was the incumbent and an unsuccessful bidder for this contract. Management of Calian believes that the claim is without merit and intends to vigorously defend the claim including the basis of the claim and the amounts being sought. Please refer to Calian's press release dated January 25, 2005 and attached at Exhibit "A" to this report for further details.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Jacqueline Gauthier, Calian's Chief Financial Officer, is knowledgeable about the

material change and this report. Her business telephone number is (613) 599-8600.

Item 9

Date of Report

February 7, 2005.

Per: (signed)

Jacqueline Gauthier

(name of person signing the Form)

Chief Financial Officer

(office or capacity)

EXHIBIT "A"
TO MATERIAL CHANGE REPORT

IMMEDIATE RELEASE**CALIAN TECHNOLOGY SERVED WITH STATEMENT OF CLAIM**

Kanata, Ontario – January 25, 2005: Calian Technology Ltd. ([TSX:CTY](http://www.tsx.com/CTY)) announced today that it has been served by Med-Emerg International Inc. with a Statement of Claim filed in the Ontario Superior Court of Justice as Action No. 05CV029982. Med-Emerg is claiming \$100 million in damages from Calian and another party for breach of confidence, breach of fiduciary duty and unlawful interference with economic interests.

The claim relates to Calian's previously announced award of a limitation of expenditure contract by the Department of National Defence (DND) for the provision and management of Health Service Providers to supplement DND resources in Canada. The initial five-year contract is valued at more than \$400 million. Med-Emerg was the incumbent and an unsuccessful bidder for the contract.

Management believes that this claim is without merit. Calian intends to vigorously defend the claim, including the basis of the claim and the amounts being sought. The outcome of the claim cannot be determined at this time.

About Calian

Calian Technology Ltd. (TSX:CTY) sells technology services to industry and government in Canada and around the world. Calian provides customers with ready access to an exceptional team of engineers, telecommunications and technology professionals, and other highly qualified staff. The Business and Technology Services Division augments customer workforces with flexible short and long-term placements, recruitment and outsourcing of engineering and other skilled professionals. The Systems Engineering Division plans, designs and implements solutions for many of the world's space agencies and leading communications satellite manufacturers and operators, as well as providing contract manufacturing services for customers in North America.

For further information, please visit our website at www.calian.com, or contact us at ir@calian.com:

Larry O'Brien
Chairman and CEO

613-599-8600

Jacqueline Gauthier
Chief Financial Officer

DISCLAIMER

Certain information included in this press release is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Such statements are generally accompanied by words such as "intend", "anticipate", "believe", "estimate", "expect" or similar statements. Factors which could cause results or events to differ from current expectations include, among other things: the impact of price competition; scarce number of qualified professionals; the impact of rapid technological and market change; loss of business or credit risk with major customers; technical risks on fixed price projects; general industry and market conditions and growth rates; international growth and global economic conditions, and including currency exchange rate fluctuations; and the impact of consolidations in the business services industry. For additional information with respect to certain of these and other factors, please see the Company's most recent annual report and other reports filed by Calian with the Ontario Securities Commission. Calian disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance can be given that actual results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

Calian · Head Office · 2 Beaverbrook Road · Ottawa · Ontario · Canada · K2K 1L1
Tel: 613.599.8600 · Fax: 613.599.8650 · General Info email: info@calian.com