AXCAN PHARMA INC.

MATERIAL CHANGE REPORT

Pursuant to:

Subsection 85(1) of the *Securities Act* (British Columbia)
Subsection 118(1) of the *Securities Act* (Alberta)
Subsection 84(1) of the *Securities Act* (Saskatchewan)
Subsection 75(2) of the *Securities Act* (Ontario)
Subsection 81(2) of the *Securities Act* (Nova Scotia)
Subsection 76(2) of the *Securities Act* (Newfoundland)

Item 1. Reporting Issuer:

The name of the reporting issuer is Axcan Pharma Inc. (hereinafter "**Axcan**", "**Axcan Pharma**" or the "**Company**"), its principal office is located at 597 Laurier Blvd., Mont-Saint-Hilaire, Quebec, J3H 6C4 and its telephone number is (450) 467-5138.

Item 2. Date of Material Change:

August 1, 1999.

Item 3. Press release:

A press release was issued in Mont-Saint-Hilaire, on August 1, 1999 with respect to the material change.

Item 4. Summary of Material Change:

See Item 5.

Item 5. Full Description of Material Change:

See Press Release attached hereto as Schedule "A".

Item 6. Reliance on: Section 75(3) of the *Securities Act* (Ontario) and Section 73(1) of the *Securities Act* (Quebec)

Not applicable.

Item 7. Omitted Information:

No information has been omitted in respect of the material change.

Item 8. Senior Officers:

Further information with respect to the material change described in this material change report may be obtained from:

Mr. Jean Vézina
Axcan Pharma Inc.
597 Laurier Blvd.
Mont-Saint-Hilaire, Quebec
J3H 6C4

Telephone: (450) 467-5138

Item 9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Mont-Saint-Hilaire, Quebec, this 1st day of August, 1999.

AXCAN PHARMA INC.

Per: (signed) *"Jean Vézina"*
Jean Vézina, Vice-President, Finance

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AXCAN PHARMA

Schedule "A"

AXCAN PHARMA INC.

597, boul. Laurier
Mont-Saint-Hilaire
(Québec)
Canada J3H 6C4

Tél. : (450) 467-5138
1 (800) 565-3255
Fax : (450) 464-9979

SOURCE: AXCAN PHARMA INC.
ME, TSE SYMBOL: AXP
(Montreal and Toronto Stock Exchanges)

DATE: August 1, 1999
News Release for immediate distribution

AXCAN AMENDS ITS BID FOR SCANDIPHARM AND ANNOUNCES LOCK-UP AGREEMENT

MONT SAINT-HILAIRE, QUEBEC - Axcan Acquisition Corp., a wholly-owned subsidiary of Axcan Pharma Inc., hereby amends its offer to acquire all outstanding stock of Scandipharm, Inc., by raising its Offer Price **to US $8.88 cash net per share**. This Amended Offer remains open until August 13, 1999, at 5:00 PM Central Time.

Axcan hereby waives all its Offer conditions, other than the Minimum Tender Condition. More detailed terms of this Amended Offer are set forth in a document to be mailed to the Scandipharm Stockholders tomorrow. In addition to raising the Offer Price to $8.88, Axcan hereby amends its Offer by terminating all rights of withdrawal as of 11:59 p.m. Central Time, Sunday August 1, 1999. All tenders of Scandipharm Stock are irrevocable.

Axcan has also signed a lock-up agreement with the Charles N. Wingett Estate pursuant to which all shares of Scandipharm Stock held by the Estate will be tendered into the Axcan Offer. Pursuant to an Escrow Arrangement involving a number of Scandipharm stockholders, additional shares of Scandipharm Stock will also be tendered to Axcan's Offer upon the tender of the shares of Scandipharm Stock held by the Estate. The Lock-Up Agreement provides that the tender of these shares satisfies the Minimum Tender Condition. **Thereupon, a majority of the outstanding shares of Scandipharm Stock will have been tendered to and accepted by Axcan.**

Sofinov and Capital d'Amérique CDPQ, two subsidiaries of the Caisse de dépôt et placement du Québec, are providing financing for the transaction.

Axcan Pharma Inc., parent of Axcan Acquisition Corp., is a Canadian publicly traded pharmaceutical company engaged in the development and marketing of new gastrointestinal drug products. Axcan Pharma is one of the ten largest public health-care companies in Canada and its shares are listed on the Montreal and Toronto Stock Exchanges under the AXP symbol.

NOTE - FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA

Nothing in the present press release is intended nor shall be construed as constituting an offer to issue shares. It is intended solely for the purpose of informing existing and potential shareholders of Axcan Pharma Inc. within the jurisdiction of Canada.

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INFORMATION : **Isabelle Adjahi**
Coordinator, Investor Relations
iadjahi@axcan.com

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