

MATERIAL CHANGE REPORT
S.75(2) OF THE SECURITIES ACT (ONTARIO)
S. 118(1) OF THE SECURITIES ACT (ALBERTA)
S.85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)
S.73 OF THE SECURITIES ACT (QUEBEC)
S.81(2) OF THE SECURITIES ACT (NOVA SCOTIA)
S.84(1) OF THE SECURITIES ACT, 1988 (SASKATCHEWAN)
S. 112 OF THE SECURITIES ACT (MANITOBA)
S.76(2) OF THE SECURITIES ACT, 1990 (NEWFOUNDLAND)

1. Reporting Issuer

Alliance Atlantis Communications Inc.
121 Bloor Street East
Suite 1500
Toronto, Ontario
M4W 3M5

2. Date of Material Change

April 19, 2001

3. Press Release

A Press release disclosing the material change was issued at Toronto, Ontario by CCN News Wire on April 19, 2001, a copy of which is attached.

4. Summary of Material Change

On April 19, 2001, Alliance Atlantis Communications Inc. ("**Alliance Atlantis**") completed its acquisition of Salter Street Films Limited ("**Salter Street**"). The acquisition was effected by means of a three-cornered amalgamation pursuant to which 3822796 Canada Limited ("**Subco**"), a wholly-owned subsidiary of Alliance Atlantis amalgamated with Salter Street pursuant to section 181 of the *Canada Business Corporations Act* to form Salter Street Films Limited ("**Amalco**").

Upon the successful completion of the Amalgamation, former shareholders of Salter Street received either:

- (a)(i) a number of preferred shares ("**Preferred Shares**") in the capital of Amalco equal to the number of Salter Street shares held by that shareholder, each of which were redeemed by Amalco for an amount equal to \$3.33 per Preferred Share, and (ii) a number of Class B non-voting shares (the "**Class B Shares**") in the capital of Alliance Atlantis

equal to the product of 0.310 and the number of Salter Street shares held by that shareholder.

OR

(b) that number of Class B Shares equal to the product of 0.465 and the number of Salter Street shares held by that shareholder.

Other material terms of the transaction are as follows:

- Michael Donovan and Paul Donovan have agreed to extend the terms of their employment agreements with Amalco until April 2004;
- pending approval of the transaction by the Canadian Radio-television and Telecommunications Commission, Salter Street and its respective subsidiaries have appointed a trustee in respect of their interests in specialty broadcasting channels; and
- outstanding Salter Street stock options were exchanged for options to acquire Class B Shares, with appropriate adjustment to reflect the share exchange ratio to the exercise price and the number of shares to be acquired upon the exercise of such options.

5. Reliance on Confidentiality Provisions of Securities Legislation

Not applicable.

6. Omitted Information

Not applicable.

7. Senior Officer

The senior officer of AACI who is knowledgeable about this material change is:

Paul Laberge

Senior Vice President, Corporate Development and General Counsel

Telephone 416-966-7702

8. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated this 20th day of April, 2001.

“Paul Laberge”

Paul Laberge
Senior Vice President, Corporate
Development and General Counsel

(For Immediate Release: AAC01-26)

www.allianceatlantis.com

TSE: AAC.A, AAC.B

NASDAQ: AACB



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Alliance Atlantis Completes Acquisition of Salter Street Films

April 19, 2001 – Toronto, Ontario – ALLIANCE ATLANTIS COMMUNICATIONS Inc. (TSE: AAC.A, AAC.B; NASDAQ: AACB) has completed the previously announced acquisition of Salter Street Films Limited. As part of the transaction, the shares of Salter Street Films' subsidiaries that will be operating the new digital specialty channels recently awarded to Salter Street Films by the Canadian Radio-television and Telecommunications Commission have been transferred to Daniel Campbell, Q.C., who will act as trustee pending CRTC approval of the transfer of control of the licences.

The Salter Street subordinate voting shares are expected to be delisted from The Toronto Stock Exchange on April 23, 2001.

ALLIANCE ATLANTIS COMMUNICATIONS INC. is a leading broadcaster, creator and distributor of filmed entertainment with significant ownership interests in eight Canadian specialty television networks. The Company's principal business activities are conducted through three operating groups: Broadcast, Motion Pictures and Television. Headquartered in Toronto, ALLIANCE ATLANTIS operates offices in Los Angeles, Montreal, Edmonton, London, Sydney and Shannon. The Company's common shares trade on The Toronto Stock Exchange - trading symbols AAC.A, AAC.B and on NASDAQ - trading symbol AACB. The Company's website is www.allianceatlantis.com.