

FORM 27

**MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE
SECURITIES ACT (BRITISH COLUMBIA)**

**MATERIAL CHANGE REPORT UNDER
SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)**

1. Reporting Issuer

CREO PRODUCTS INC. (“Creo”)
3700 Gilmore Way
Burnaby, British Columbia
V5G 4M1

2. Date of Material Change

January 25, 2000

3. Press Release

Date of Issuance: January 25, 2000

Place of Issuance: Vancouver, British Columbia

4. Summary of Material Change

Creo and Prograph Systems Inc. (“Prograph”) announced that they have reached an agreement on the principal business terms for the creation of a new Internet company – to be called printCafe – that will offer an Internet-based, business-to-business communication solution tailored specifically for the graphic arts industry. The new company will capitalize on the strong synergies that exist between Creo and Prograph, each of which brings significant technology and product developments to the table. It will be dedicated to and focused on becoming the leading provider of e-commerce and Internet solutions for the printing and publishing industries.

5. Full Description of Material Change

Under the terms of the agreement announced by Creo and Prograph, each will combine e-commerce initiatives into printCafe. Marc Olin and William Guttman, current co-CEOs of Prograph will take on the new roles of co-CEOs of printCafe. Prograph will consolidate and transfer all company infrastructure, resources and customer base into printCafe. Creo shall provide certain resources, including Prinergy and Prinergy Web products, to printCafe and shall also provide worldwide distribution and support services to printCafe through its existing marketing and sale channels.

Creo will acquire a class or series of Preferred stock which are convertible, upon payment of additional consideration related to the value of printCafe, into shares of Common stock of printCafe representing approximately 60% of the shares of Common stock of printCafe calculated on a fully diluted and converted basis after giving effect to a proposed venture capital financing. Prior to conversion, Creo’s Preferred stock will be entitled to approximately 17.24%

of the voting rights of printCafe on a fully diluted and converted basis. Amos Michelson, CEO of Creo, will join the Board of Directors of printCafe.

PrintCafe will be geared towards enhancing existing print relationships, improving communications and adding maximum value at all points in the production process through advanced Web-based and software solutions.

6. Reliance on Section 85(2) of the Securities Act (British Columbia)/Section 75(3) of the Securities Act (Ontario)

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers

For further information contact:

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9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 31st day of January, 2000.

CREO PRODUCTS INC.

Per: "Thomas A. Kordyback"
(Authorized Signatory)

Thomas Kordyback, Vice President, Finance, Chief
Financial Officer and Secretary
(Print Name and Title)