

**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**

May 17, 2000

**3. Press Release**

Date of Issuance: May 17, 2000

Place of Issuance: Vancouver, British Columbia

**4. Summary of Material Change**

Creo and Heidelberger Druckmaschinen AG (“Heidelberg”) have agreed that their joint venture, first formed in 1997, will terminate effective on May 18, 2000 and its place will be taken by an original equipment manufacturer (“OEM”) relationship. The principal terms of the OEM relationship have been agreed upon.

**5. Full Description of Material Change**

Creo and Heidelberg have been unable to agree on modifications to the agreement governing their joint venture to take account of the merger of the prepress operations of Creo and Scitex Corporation Ltd. The parties have accordingly agreed to terminate the joint venture effective as of May 18, 2000. They have also agreed upon the principal business terms for their continuing relationship. Under the new relationship, Creo’s Trendsetter<sup>®</sup> family of thermal platesetters and the Prinergy<sup>™</sup> workflow management system will continue to be sold through the distribution channels of both CreoScitex and Heidelberg under the respective brands of the two companies, and existing service arrangements will continue to be honored.

Heidelberg has agreed to provide ongoing manufacturing services to Creo for the next two years, at Creo’s option. It is expected that The Trendsetter<sup>®</sup> family of thermal platesetters will continued to be manufactured in both Vancouver and Kiel for the foreseeable future.

Definitive agreements concerning the new relationship between Creo and Heidelberg are expected to be settled and signed within the next month.

**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:

Thomas Kordyback  
Creo Products Inc.  
3700 Gilmore Way  
Burnaby, BC  
V5G 4M1

Telephone: (604) 451-2743  
Facsimile: (604) 419-4724

**9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia this 24th day of May, 2000.

**CREO PRODUCTS INC.**

Per: "Tom Kordyback"  
(Authorized Signatory)

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