FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Kaboose Inc. ("Kaboose" or the "Company")
2200 Yonge Street
Suite 1400
Toronto, Ontario
M4S 2C6

Item 2. Date of Material Change

March 31, 2009.

Item 3. News Release

A press release was issued by the Company on April 1, 2009 via a Canadian news wire service, a copy of which has been filed via SEDAR.

Item 4. Summary of Material Change

Kaboose announced that it has entered into two separate agreements which together will effect the sale of substantially all of its assets. Following the completion of these two transactions and the completion of a dissolution and winding-up process pursuant to a plan of arrangement, Kaboose intends to distribute the resulting net proceeds to its shareholders.

The two agreements will effect the sale of the Company's UK business, being Bounty Group Limited, to a company controlled by funds managed by Barclays Private Equity Limited ("BPE") and the sale of the Company's North American assets to Disney Online, a unit of Disney Interactive Media Group segment.

Item 5. Full Description of Material Change

Kaboose has entered into an agreement dated March 31, 2009 with BPE pursuant to which it has agreed to sell all of the issued and outstanding share capital of its UK subsidiary through which it owns Bounty Group Limited (the "Bounty Transaction"). The purchase price payable to Kaboose under the terms of the Bounty Transaction is £54 million (approximately $97 million) in cash less third-party debt outstanding on closing which is expected to be approximately £10 million (approximately $18 million). Closing of the Bounty Transaction is conditional on obtaining Kaboose shareholder approval and other customary conditions. The agreement between Kaboose and BPE provides for, among other things, a non-solicit covenant by Kaboose subject to Kaboose's ability to consider and accept a superior proposal relating to Bounty or all of the assets or share capital of

Kaboose, and the payment by Kaboose to BPE of a termination payment of £0.9 million if the Bounty Transaction is not completed as a result of a superior proposal.

Kaboose has entered into an agreement dated March 31, 2009 with Disney Online, a unit of Disney Interactive Media Group segment pursuant to which it has agreed to sell substantially all of its North American assets, including all of its online media properties and related businesses (the "North American Transaction"). The purchase price payable to Kaboose pursuant to the North American Transaction is $23.3 million, subject to a working capital adjustment. Closing of the North American Transaction is conditional on the closing of the Bounty Transaction, obtaining Kaboose shareholder approval, court approval and other customary conditions, including receipt of any necessary regulatory approval. The agreement between Kaboose and Disney Online provides for, among other things, a non-solicitation covenant by Kaboose, subject to customary provisions that entitle Kaboose to consider and accept a superior proposal in respect of a purchase of its North American assets or all of the assets or share capital of Kaboose, a right in favour of Disney Online to match any superior proposal and the payment by Kaboose to Disney Online of a termination payment of $465,000 if the North American Transaction is not completed as a result of the superior proposal.

Kaboose shareholders will be asked to approve the Bounty Transaction and the North American Transaction at an annual and special meeting of shareholders which is expected to occur in May 2009 (the "Meeting"). The board of directors of the Company has unanimously recommended that shareholders vote in favour of each of the transactions at the Meeting. Shareholders will vote on each transaction separately and each vote will require the approval of two-thirds of Kaboose shareholders present in person or by proxy. Mr. DeZwirek has agreed with BPE to vote the shares controlled by him in favour of the Bounty Transaction and each of the directors and senior officers of Kaboose (including Mr. DeZwirek) have indicated to the Company that they intend on voting all their shares owned or controlled in favour of the North American Transaction. The Bounty Transaction and the North American Transaction are each expected to close within approximately 60 days.

The North American Transaction will be completed pursuant to a plan of arrangement under the *Canada Business Corporations Act*, which will also include a process to wind-up Kaboose following the completion of a court-approved claims procedure. In connection with the wind-up of Kaboose, it is expected that approximately $0.65 in aggregate per common share will be distributed to shareholders of record in two or more distributions, which will include the cash proceeds realized under the Bounty Transaction and the North American Transaction, less any payments made in respect of Kaboose's remaining ongoing costs and liabilities. The first distribution is expected to occur in the third quarter of 2009, following completion of a claims procedure that will be established under the supervision of an Ontario court. It is expected that following the distributions, Kaboose's common shares will be cancelled and de-listed from the TSX. It is anticipated that the wind-up of Kaboose will be completed by the end of the first quarter of 2010, although the ultimate timing of each distribution and the wind-up of Kaboose may vary from what is expected. In addition, to the extent that, among other things: (i) transaction and wind-up costs; (ii) Kaboose's net cash position at closing; (iii) the absence of unidentified claims; (iv) working capital of the North American business at the time of closing; or (v) foreign exchange rates are different than assumptions made by management, shareholders may receive aggregate distributions amounting to less than $0.65 per share. Accordingly, Kaboose can give no assurances as to the total amount and timing of distributions to Kaboose's shareholders.

The Board of Directors of Kaboose has received separate fairness opinions from each of Allen & Company LLC and GMP Securities L.P. to the effect that each of the Bounty Transaction and the North American Transaction is fair, from a financial point of view, to Kaboose and that the expected aggregate distribution to shareholders is fair, from a financial point-of-view.

For the purposes of calculating amounts in connection with the Bounty Transaction, management of Kaboose have used a rate of exchange for the British Pound against the Canadian Dollar of £1.00 = $1.80.

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

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Executive Officer

The following senior officer of the Company is knowledgeable about the material change and the Report and may be contacted by the Commission as follows:

Jonathan Pollack, Chief Financial Officer
Telephone: 416-593-3000
Facsimile: 416-593-4658
Internet: www.kaboose.com

Item 9. Date of Report

April 1, 2009.