

FORM 53-901F (BC)
FORM 27 (ALBERTA, ONTARIO, QUEBEC,
NOVA SCOTIA)

MATERIAL CHANGE REPORT

SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)
AND SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)
AND SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)
SECTION 73 OF THE SECURITIES ACT (QUEBEC)
SECTION 81 OF THE SECURITIES ACT (NOVA SCOTIA)
[DELETE PROVINCES NOT REQUIRED]

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under Section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer:

Concert Industries Ltd.
Suite 950 – 1055 West Georgia Street
Vancouver, British Columbia
V6E 3P3

Phone: 604-681-1008
Fax: 604-681-2627

Item 2. Date of Material Change

May 12, 2003

Item 3. Press Release

State the date and place(s) of issuance of the press release issued under section 85 (1) of the Act.

The Press Release dated May 12, 2003 was forwarded to The Toronto Stock Exchange and disseminated via Canada News-Wire Ltd. (Canada wide distribution).

A copy of the Press Release is attached as Schedule "A".

Item 4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Concert Industries Ltd. today announced that as result of a weaker than expected first quarter, it has entered discussions with its lenders regarding further changes to the Company's senior credit facilities and is actively seeking to raise additional financing.

Concert has initiated a review of operations and management structure in order to accelerate improvements in its financial performance. This review will largely focus on the Company's operations in North America, which include facilities in Quebec and the United States. The company is considering strategic alternatives for its facility located in Charleston, South Carolina, including possible sale or shut-down. The Company is also reviewing its management structure and responsibilities. Concert anticipates realigning and augmenting its senior management in North America in order to allow Rolf Hövelmann, currently President and Chief Operating Officer, to focus on the Company's operations in Europe.

As a result of the Company's weaker results, it has advised the lenders under its senior credit facility that it will not meet the requirements under that facility to have minimum EBITDA of \$2 million for the first quarter of 2003. Unless waived by the lenders or cured through an injection of additional capital, the failure to meet the EBITDA target could result in a default under the credit facilities.

The Company is also evaluating possible sources of subordinate debt or equity financing. The Company has reached agreement in principle for a C\$7.35 million investment by way of a subordinate convertible debenture. Completion of this financing is subject to execution of definitive agreements, regulatory approval and certain amendments being made to the Company's senior credit facilities.

As a result of a comprehensive review of the carrying value of the Company's assests and the slower than expected improvements in business conditions and operational performance, the Company has decided to take a further write-down in the carrying value of its facility in Charleston, South Carolina and deferred start-up costs for the Gatineau facility. These write-downs are expected to total approximately C\$35 million before tax.

Item 5. Full Description of Material Change

Supplement the summary required under item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also item 7.

The description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely described examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

For a full description of the material change, see Schedule "A".

Item 6. Reliance on Section 85(2) of the Act

If the report is being filed on a confidential basis in reliance of Section 85(2) of the Act, state the reasons for such reliance.

INSTRUCTION:

Refer to Section 85(3) of the Act concerning continuing obligations in respect of reports filed pursuant to this subsection.

Not Applicable.

Item 7. Omitted Information

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but s. 85(3) of the Act will no longer be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to s. 169(3) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in section 153 of the Securities Rules.

Not Applicable.

Item 8. Senior Officer

Give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer.

Jay Whitwham
Vice President, Chief Financial Officer & Secretary

Telephone: (604) 681-1008

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia this 12th day of May 2003.

CONCERT INDUSTRIES LTD.

Per:

"Jay Whitwham"

**Jay Whitwham, Vice President, Chief
Financial Officer & Secretary**

SCHEDULE "A"



PRESS RELEASE

CNG (TSX)

Contact:

Jay Whitwham
Vice President, CFO and Secretary
Phone: (604) 681-1008

Phone: 1-866-AIR-LAID
Fax: (604) 681-2627
Email: info@concert.ca
Website: www.concert.ca

Concert Seeking Further Credit Facility Amendments and Financing

Vancouver, May 12, 2003/CCN/ - Concert Industries Ltd. today announced that as result of a weaker than expected first quarter, it has entered discussions with its lenders regarding further changes to the company's senior credit facilities and is actively seeking to raise additional financing.

"We made good progress in growing our business in 2002, but are continuing to experience several challenges in improving our bottom line numbers," said company Chairman and CEO Dieter Peter. "The airlaid industry remains extremely competitive as a result of recent capacity increases, particularly in North America, and the mix of products we are producing at our new Gatineau, Quebec facility has changed significantly in the first quarter of 2003," Mr. Peter said. "These factors contributed to weaker first quarter operating performance than we would have liked or had expected," he added.

Mr. Peter noted the company's European operations continue to perform well, with its facility in Falkenhagen, Germany being firmly established in the market. "We are making every effort to review and to build our operating performance in North America to a similar level," he said.

Concert has initiated a review of operations and management structure in order to accelerate improvements in its financial performance. This review will largely focus on the company's operations in North America, which include facilities in Quebec and the United States. The company is considering strategic alternatives for its facility located in Charleston, South Carolina, including possible sale or shut-down. The company is also reviewing its management structure and responsibilities. In this regard, Concert anticipates realigning and augmenting its senior management in North America in order to allow Rolf Hövelmann, currently President and Chief Operating Officer, to focus on the company's operations in Europe.

As a result of the company's weaker results, it has advised the lenders under its senior credit facility that it will not meet the requirement under that facility to have minimum EBITDA of \$2 million for the first quarter of 2003. Unless waived by the lenders or cured through an injection of additional capital, the failure to meet the EBITDA target could result in a default under the credit facilities.

"We have expressed the view to our lenders that our existing senior credit facilities may be more appropriate for a producer servicing a large number of customers in a mature industry, however, at this stage, the company is not there yet," Mr. Peter said. "As a result, we have initiated discussions with our lenders requesting changes to help address the current needs of our business, and they have indicated a willingness to cooperate with us in this regard," added Mr. Peter.

The company is also evaluating possible sources of subordinate debt or equity financing. "We need to strengthen our balance sheet and are working with our advisors to review financing alternatives that may be available to us at this time," added Mr. Peter. The company has reached agreement in principle for a C\$7.35 million investment by way of a subordinate convertible debenture. Completion of this financing is subject to execution of definitive agreements, regulatory approval and certain amendments being made to the company's senior credit facilities. In order to facilitate the above initiatives, the Board of Directors of the company has formed a special committee comprised of two independent directors and the company's CEO to review and make recommendations to the Board on financing alternatives, including the arrangements under the company's senior credit facility, other debt or equity financings and other matters to help address the company's financial and operational needs.

Concert is presently finalizing its 2002 annual and first quarter 2003 financial statements for release later this month. As a result of a comprehensive review of the carrying value of the company's assets and the slower than expected improvements in business conditions and operational performance, the company has decided to take a further write-down in the carrying value of its facility in Charleston, South Carolina and deferred start-up costs for the Gatineau facility. These write-downs are expected to total approximately C\$35 million before tax.

"While we are going through a particularly difficult period, I am confident that with the cooperation of our various stakeholders and improvements in the fundamentals of our business, Concert will continue to be a major player in the dynamic and growing airlaid market," concluded Mr. Peter.

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Concert Industries Ltd. is an international technology based company specializing in the development and manufacture of advanced airlaid materials. Concert's products are key components in a wide range of personal care consumer products including feminine hygiene and adult incontinence products. Other applications include pre-moistened baby wipes, disposable medical and filtration applications and tabletop products.

Forward looking statements

Statements contained in this management discussion and analysis that are not historical facts are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Such factors include among others: competition, reliance on new products, management of growth and expansion, product obsolescence, reliance on major customers and suppliers, start-up of new manufacturing facilities, foreign currency, government regulation and intellectual property rights.