

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 30, 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 30, 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 its financial results for the first quarter ended March 31, 2003.

**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 30<sup>th</sup> 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:

---

Les Schindelka  
Corporate Controller  
Phone: (604) 681-1008

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

## CONCERT ANNOUNCES FIRST QUARTER RESULTS

**Vancouver, May 30, 2003/CCN** - Concert Industries Ltd. (the "Company") today announced its financial results for the first quarter ended March 31, 2003.

### Highlights

- Revenue of \$38.4 million – down from \$43.2 million one quarter earlier when strong demand from major customers contributed to record volume.
- Gross margin of \$6.8 million (17.7% of revenue) – lower than previous quarter's \$9.4 million (21.8% of revenue) as a result of competitive conditions in commodity airlaid segments and significant product mix changes at the Gatineau, Quebec plant.
- EBITDA\* of \$1.0 million – down from \$3.2 million in the preceding quarter and below revised covenant levels for the Company's senior credit facilities.

Concert's first quarter ending March 31, 2003 includes results of all company operations for the period. For the comparable period in 2002, the Company's Gatineau production facility was still in its commercial start-up phase and its net operating results were capitalized as deferred start-up costs.

### Overview

Concert Industries Ltd. recorded a net loss of \$2.6 million (9 cents per share) for the three months ended March 31, 2003. This compares with a \$200,000 net loss (1 cent per share) for the same period last year.

Concert Chairman and CEO Dieter Peter said the Company faced a number of challenges in the quarter. "Commodity airlaid segments in North America remain very competitive and we had a significant change in product mix at our Gatineau plant which reduced overall operating efficiency in the quarter," he said.

"The Company's European operations continue to perform well overall," Mr. Peter said. "We are focusing our efforts on accelerating improvements in the Company's North American operations to similar levels of performance," he added.

### Revenue

First quarter revenue of \$38.4 million was down from \$43.2 million in the final quarter of 2002, when the Company benefited from strong demand from major customers prior to the end of the year. The decrease in revenue reflected lower overall volume in the quarter, combined with lower average selling prices in North America as a result of the change in product mix at the Gatineau plant.

Revenue in the same period last year was \$22.1 million. The increase over the previous year's corresponding period reflects volume from the Gatineau plant in 2003 and higher sales volumes in Europe, where the Company developed substantial new business in the second half of 2002.

### Gross Margin

Gross margin of \$6.8 million (17.7% of revenue) was lower than the previous quarter's \$9.4 million (21.8% of revenue). The decline in gross margin reflects competitive conditions in certain commodity airlaid segments in North America, and a significant change in product mix at the Gatineau plant resulting in lower operating efficiencies in the current quarter.

Gross margin in the same quarter a year ago was \$5.6 million (25.3% of revenue). Lower efficiencies at the Gatineau plant, not included in operating results while in its commercial start-up phase last year, were the primary factor for the lower gross margin percentage in the current period.

### Fixed Expenses

Fixed expenses were \$5.8 million in the quarter, excluding amortization and interest expense, down from \$6.2 million in the final quarter of 2002. Fixed expenses in the same period last year were \$3.5 million, when Gatineau's fixed expenses were not included in operating results.

### Concert's Operating Results

(unaudited)

(in \$ millions)	Q1 - 2003	Q4 - 2002	Q1- 2002
<b>Revenue</b>	\$38.4	\$43.2	\$22.1
<b>Gross margin</b>	6.8	9.4	5.6
<b>Fixed expenses</b>	5.8	6.2	3.5
<b>EBITDA</b>	1.0	3.2	2.1
<b>Amortization</b>	2.8	4.0	1.4
<b>Interest</b>	2.2	2.9	0.6
<b>Earnings (loss) from operations</b>	(4.0)	(3.7)	0.1
<b>Income tax expense (recovery) and non-controlling interest</b>	(1.4)	(7.0)	0.3
<b>Write-downs</b>	--	35.7	--
<b>Net loss</b>	\$(2.6)	\$(32.4)	\$(0.2)
<b>EPS (in dollars)</b>			
<b>Basic</b>	\$(0.09)	\$(0.97)	\$(0.01)
<b>Fully diluted</b>	(0.09)	(0.97)	(0.01)

-30-

\* EBITDA is defined as earnings before provisions for interest expense, income taxes, amortization, write-down's, and non-controlling interests.

#### Additional information

Additional information is contained in the Company's interim financial statements and management's discussion and analysis at [www.concert.ca](http://www.concert.ca).

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's 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.*