CONCERT INDUSTRIES LTD.

MATERIAL CHANGE REPORT

Form 53-901F - Securities Act (British Columbia)
Form 27 - Securities Act (Alberta)
Form 25 – Securities Act 1988 (Saskatchewan)
Form 27 – Securities Act (Ontario)
Section 76(2) – Securities Act (Newfoundland)
Form 27 – Securities Act (Nova Scotia)

1. *Reporting Issuer :*

   Concert Industries Ltd. (the "Company")
   Suite 950 – 1055 West Georgia Street
   Vancouver, British Columbia V6E 3P3

2. *Date of Material Change :*

   August 5, 2003

3. *Press Release :*

   A press release was issued in Canada via Canada Newswire on August 5, 2003.

4. *Summary of Material Change :*

   The Company announced that it filed for protection under the Companies' Creditors Arrangement Act ("**CCAA**") to allow for a restructuring of the Company and to evaluate all available alternatives to maximize a return for its shareholders. PriceWaterhouseCoopers is the court-appointed monitor.

   The Company's German operations are excluded from the CCAA filing as they are cash flow positive and continue to perform strongly.

   The Company also announced a $13.6 million increase in its operating line of credit from its current syndicate of financial institutions.

   The Company plans to file a formal plan of arrangement in the coming months and a meeting of creditors will be held to vote on the plan.

5. *Full Description of Material Change :*

   See press release attached hereto.

6. *Confidential Filing :*

   Not applicable.

7. *Omitted Information :*

None.

8. *Senior Officer :*

The following senior officer of the Company is knowledgeable about the material change and this report :

Raoul Heredia, President, tel.: (819) 669-8100

9. *Statement of Senior Officer* :

The foregoing accurately discloses the material change referred to herein.

Dated at Montreal, Québec this 14th day of August, 2003.

(s) Raoul Heredia
Raoul Heredia
President

NEWS RELEASE TRANSMITTED BY CCNMatthews

FOR: CONCERT INDUSTRIES LTD.

TSX SYMBOL: CNG

AUGUST 5, 2003 - 17:30 ET

Concert Industries Plans to Restructure - Company Seeks CCAA Protection and Announces $13.6 Million in Interim Financing

GATINEAU, QUEBEC--Concert Industries Ltd. (TSX: CNG) today announced it has filed for protection under the Companies' Creditors Arrangement Act (CCAA) to allow for an orderly restructuring of the Company and to properly evaluate all available alternatives to maximize a return for its stakeholders. Concert President, Raoul Heredia also announced a $13.6 million increase in the Company's operating line of credit from its current syndicate of financial institutions.

On July 7, 2003, the Company disclosed that it did not receive the necessary waivers from its lenders to allow it to issue common shares in satisfaction of the semi-annual interest payment due on its 8.5% Convertible Unsecured Subordinated Debentures. The Company continues not to make monthly interest payments as of July 2, 2003 onwards under its senior secured credit facility.

"We are quite confident that the CCAA filing will give us the breathing space to preserve and strengthen Concert's business so that we can continue to compete successfully and return to profitability. Our ability to rapidly secure initial new financing from top-tier institutions is a strong endorsement from this group and will provide the latitude and adequate resources to continue operating while we undergo the necessary restructuring activities," stated Mr. Heredia.

German operations excluded from CCAA filing

Concert Industries operates four manufacturing facilities in Canada, the United States and Germany for specialty absorbent thermal and multi-bonded airlaid materials. It is the largest company totally focused on non-woven airlaid fabrics and is amongst the leaders in the technological development in this area.

Concert's German subsidiaries are excluded from the filing as they are cash flow positive and continue to perform strongly.

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A confluence of challenges

Concert has had to face a series of challenges since 2001, which have culminated in the current situation:

- Significant new airlaid product capacity came on-stream in North America in 2001, creating an extremely competitive market environment;
- The worldwide economic slowdown, oversupply and specific issues at the Company's Charleston, South Carolina and Gatineau, Quebec plants impacted existing and future orders;
- A major competitor acquired patents over a festooning process and initiated patent infringement actions which forced Concert to incur over $20 million in capital spending to acquire new festooning equipment utilizing a different process;
- While conditions improved in the second half of 2002, first half performance in fiscal 2003 has been affected by a combination of factors, including continued losses at the Charleston plant; an unexpected change in the product mix of a major Gatineau customer; production challenges for a new product line; working capital requirements at Gatineau; and the weakening of the U.S. dollar.

Initiatives to date

The Company is planning a series of measures to mitigate the current financial situation:

- It is working with potential buyers of the Charleston, South Carolina plant. If a buyer cannot be found, the facility will be closed and production will be transferred to Gatineau, Quebec;
- The Vancouver, B.C. executive office will be relocated to Gatineau, Quebec.
- Employee numbers have been reduced over the past two years in targeted areas;
- A special committee of the Board of Directors has been formed to address the issues;
- Mr. Raoul Heredia, a turnaround specialist, was named as President of the Company on June 24, 2003 and is leading the restructuring initiatives.

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A formal plan of arrangement will be filed in the coming months and a meeting of creditors will be held to vote on the plan.

"In order to allow for an orderly restructuring it is in the best interests of all that approval of the CCAA request was granted so that we can fully focus on operational issues and function on a business-as-usual basis. We are embarking on a journey that is geared to transforming Concert into a more efficient, lower-cost organization. The immediate access to additional funding, the creation of a viable plan and our position in the marketplace make us hopeful that we will emerge as a stronger company. It is clear that all options must be considered to provide the operational and financial flexibility to benefit as many stakeholders as possible. The ongoing support from our customers and suppliers is vital to the success of this exercise," concluded Mr. Heredia.

PricewaterhouseCoopers Inc. is the court-appointed Monitor.

Further information on Concert Industries restructuring efforts may be obtained from the Company's website (www.concert.ca).

Company profile

Concert Industries Ltd. is an international technology based company specializing in the development and manufacture of advanced airlaid materials. It is the largest company totally focused on non-woven airlaid fabrics. 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 press release 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.

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FOR FURTHER INFORMATION PLEASE CONTACT:
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