MATERIAL CHANGE REPORT

S.75(2) OF THE SECURITIES ACT (ONTARIO)
S.118(1)(b) OF THE SECURITIES ACT (ALBERTA)
S.85 OF THE SECURITIES ACT (BRITISH COLUMBIA)
S.73 OF THE SECURITIES ACT (QUEBEC)
S.84(1)(b) OF THE SECURITIES ACT, 1988 (SASKATCHEWAN)
S.81(2) OF THE SECURITIES ACT (NOVA SCOTIA)
S.112 OF THE SECURITIES ACT (MANITOBA)
S.76(2) OF THE SECURITIES ACT (NEWFOUNDLAND)

1. Reporting Issuer

Livent Inc.
165 Avenue Road
Suite 600
Toronto, Ontario M5R 3S4

2. Date of Material Change

The effective date of the material change is December 3, 1998.

3. Press Release

A copy of the press release issued by Livent Inc. at New York, New York and Toronto, Ontario on December 3, 1998 is attached hereto as Schedule "A".

4. Summary of the Material Change

Livent Inc. (the "**Company**" or "**Livent**") announced on December 3, 1998 that the U.S. Bankruptcy Court for the Southern District of New York had approved Livent's agreement with the investment management firm of Angelo, Gordon & Co., L. P. to provide Livent with CDN $37.5 Million (US $25 Million) in Debtor-In-Possession (DIP) financing.

5. Full Description of Material Change

Please refer to Schedule "A".

6. Reliance on Confidentiality Provisions of Securities Legislation

Not Applicable.

7. Omitted Information

Not Applicable.

8. Senior Officer

Robert B. Webster, Executive Vice-President, is knowledgeable about the material change and the report and can be reached at (416) 324-5800.

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario, this 14th day of December, 1998.

LIVENT INC.

(Signed) David R. Maisel

David R. Maisel
President

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

SCHEDULE "A"

COURT APPROVES LIVENT FINANCING

NEW YORK, NY and TORONTO, ONTARIO, December 3, 1998 -- Livent Inc. today said that the U.S. Bankruptcy Court for the Southern District of New York had approved Livent's agreement with the investment management firm of Angelo, Gordon & Co., L.P. to provide Livent with CDN$37.5 million (US$25 million) in Debtor-in-Possession (DIP) financing. The financing agreement is intended to provide Livent with sufficient capital to fund the company's operations while Livent completes its financial reorganization.

Livent's management said it was very pleased with the Court's approval for this credit facility, which is intended to put Livent back on a stable financial footing. These funds will allow Livent to continue operation of its core business, while management proceeds with its work to lock in a secure, long term financial structure.

Livent filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code on November 18. The company sought protection in Canada on November 19 under the Companies' Creditors Arrangement Act (CCAA).

Livent's agreement with Angelo, Gordon & Co., L.P. will provide the company with CDN$37.5 million (US$25 million) in credit in two stages. In the first stage, CDN$19.5 million (US$13 million) will be made available to Livent on Friday, December 4. The second stage of the credit facility is expected to make available an additional CDN$18 million (US$12 million) by mid-December, subject to court approval.

Angelo, Gordon & Co., L.P. is an investment management firm focusing on investments in turnaround situations and financially troubled companies.

Livent Inc. is a leading producer of theatrical entertainment internationally, whose Broadway productions have collectively won 18 Tony Awards. Livent also owns or controls four theaters, which are located in New York, Chicago, Toronto and Vancouver. Livent's newest musicals include *Parade*, a co-production with Lincoln Center Theater, which is now in previews and opens at the Vivian Beaumont Theater in New York on December 17 and *Fosse*, now at the Ahmanson Theater in Los Angeles. Livent's critically acclaimed productions have included *Kiss of the Spider Woman* (1993), *Show Boat* (1995), *Barrymore* (1997), *Candide* (1997), and *Ragtime* (1998). In Toronto, Livent's production of Andrew Lloyd Webber's *The Phantom of the Opera* is in its tenth year at the Pantages Theater.

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