



NEWS RELEASE

August 11, 2010 - For Immediate Release

**AIRBOSS ANNOUNCES 2nd Quarter 2010 RESULTS**

- **2nd Quarter Sales Increase By 28% year-over-year**
- **2<sup>nd</sup> Quarter Earnings Per Share \$0.13**
- **Six Month Earnings Per Share \$0.25**
- **Six Month EBITDA \$12.4 million**

AirBoss of America Corp. ("AirBoss") announces the following results for the three and six month periods ended June 30, 2010:

<u>(thousand \$CAD, except shares and per share amounts)</u>	<u>Three months ended</u> <u>June 30</u>		<u>Six months ended</u> <u>June 30</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net Sales	<b>\$62,014</b>	\$48,545	<b>\$115,899</b>	\$101,630
Gross margin	<b>8,716</b>	886	<b>16,634</b>	5,867
Earnings before interest, tax and amortization (EBITDA) (Note 1)	<b>6,016</b>	876	<b>12,362</b>	3,214
Interest expense	<b>380</b>	424	<b>750</b>	948
<b>Net income</b>	<b>3,047</b>	(603)	<b>6,079</b>	(181)
<u>Net income per share</u>				
-Basic and Diluted	<b>0.13</b>	(0.03)	<b>0.25</b>	(0.01)
<u>Cash flow before changes in non-cash working capital</u>	<b>5,384</b>	(679)	<b>9,345</b>	1,639
<u>Common shares outstanding (millions)</u>				
-Basic	<b>23.9</b>	23.7	<b>23.9</b>	23.8
-Diluted	<b>24.1</b>	23.8	<b>24.1</b>	23.8

Sales increased 15% over Q1 2010 and 28% over Q2 2009. This increase in sales was driven by the Rubber Compounding segment which increased by 24% in the quarter as volumes in North America continue to rebound. Sales of Chemical, Biological, Radiological and Nuclear ("CBRN") protective wear by the AirBoss-Defense division also continued their strong performance increasing by 10% in the quarter compared to the same period a year ago.

Sales in both businesses are expected to continue to increase over the balance of the year. Rubber compounding volumes should continue to increase, aided in part by a recovery in the North American tire market which will supplement our primary industrial and mining customer base. Our defense products division forecasts continued strong demand for CBRN gloves and over-boots as well as a significant shipment of gas masks in the fourth quarter.

The Company's balance sheet and working capital position remains exceptionally strong and coupled with the improvement in earnings performance has prompted the Company to increase the annual rate of dividends to \$0.12 per share from \$0.05 a year ago.

AirBoss of America Corp. develops, manufactures, and sells high quality, proprietary rubber-based products offering enhanced performance and productivity to the military protection, transportation, and industrial markets. With a capacity to supply 250 million pounds of rubber annually to a diverse group of rubber manufacturers, AirBoss is also one of North America's largest custom rubber compounding companies. The Company's shares trade on the TSX under the symbol BOS. Visit [www.airbossofamerica.com](http://www.airbossofamerica.com).

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A conference call to discuss the quarterly results is scheduled for 9:00 am EDT, August 12<sup>th</sup>, 2010. Please follow the link on our website or at [www.marketwire.com](http://www.marketwire.com) under webcasts or dial in to the following numbers: 416-340-9432 or Toll Free: 1-877-440-9795. Direct Replay Access number: 1-800-408-3053.

**Note 1** - EBITDA refers to net earnings from continuing operations determined in accordance with GAAP, before amortization, interest expense and income tax. The Company discloses EBITDA, a financial measurement used by interested parties and investors to monitor the ability of an issuer to generate cash from operations for debt service, financing working capital and capital expenditures, and pay dividends. EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures presented by other issuers. EBITDA is not a measure of performance under GAAP and should not be considered in isolation or as a substitute for net income under GAAP.

(\$thousands)	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Income before income taxes	3,047	(650)	6,079	(181)
Interest expense	380	424	750	948
Amortization	1,367	1,689	2,566	2,843
Provision for income taxes	1,222	(587)	2,967	(396)
<b>EBITDA</b>	<b>6,016</b>	<b>876</b>	<b>12,362</b>	<b>3,214</b>

#### AIRBOSS FORWARD LOOKING STATEMENT DISCLAIMER

*Certain statements included herein, including those that express management's expectations or estimates of future developments or AirBoss' future performance, constitute "forward-looking statements" within the meaning of applicable securities laws. Words such as "may", "could" "expects", "anticipates", "forecasts", "plans", "intends" or similar expressions are intended to identify forward-looking statements.*

*Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. AirBoss cautions that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause AirBoss' actual financial results, performance, or achievements to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation: changes in accounting policies and methods including uncertainties associated with critical accounting assumptions and estimates; AirBoss' ability to maintain existing customers or develop new customers in light of increased competition; cyclical trends in the tire and automotive, construction and mining industries; sufficient availability of raw materials at economical costs; weather conditions affecting raw materials, production and sales; potential product liability and warranty claims; its dependence on key customers; equipment malfunction; changes in the value of the Canadian dollar relative to the US dollar; ability to obtain financing on acceptable terms; environmental damage caused by it and non-compliance with environmental laws and regulations; changes in tax laws; potential litigation; and the impact of general economic conditions.*

*This list is not exhaustive of the factors that may affect any of AirBoss' forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to AirBoss or persons acting on its behalf are expressly qualified in their entirety by this notice. Whether as a result of new information, future events or otherwise, AirBoss disclaims any intent or obligation to update publicly these forward-looking statements. Risks and uncertainties about AirBoss's business are more fully discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2009 Annual Report to Shareholders under the heading "Risk Factors".*