



# AirBoss of America Corp.

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Toronto Stock Exchange Symbol: BOS

NEWS RELEASE

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## AIRBOSS ANNOUNCES 1<sup>ST</sup> QUARTER 1999 RESULTS

AirBoss of America Corp. (“AirBoss”) is pleased to announce the following results for the first quarter ending March 31, 1999:

(\$'000 except per share amounts)

	<u>1999</u>	<u>1998</u>	<u>Change %</u>
Net Sales <i>(Note 1)</i>	\$24,201	\$20,404	18.6 ▲
Cost of Sales	19,544	17,476	11.8 ▲
Gross Profit	4,657	2,928	59.0 ▲
Expenses	1,695	1,146	47.9 ▲
Interest and other	81	40	100.0 ▲
Income before tax	2,882	1,742	65.0 ▲
Income tax	1,027	627	63.7 ▲
Net Income	1,855	1,115	66.4 ▲
Earnings per share - Basic	\$0.10	\$0.07	42.6 ▲
- Fully Diluted	0.09	0.06	46.7 ▲
Cash Flow	<u>3,422</u>	<u>2,074</u>	65.0 ▲
Cash flow per share	\$0.18	\$0.13	38.5 ▲

### *Note (1)*

Value of Goods Produced and Sold	\$30,003	\$21,613	38.8 ▲
Less: Customer Supplied Materials	5,802	1,209	
Net Sales	\$24,201	\$20,404	

Net income increased 66.4% to \$1.86 million from \$1.12 million for the same period in 1998.

Net sales increased by 18.6% over the same period in 1998 while the value of goods produced and sold increased by 38.8%. These increases are due to the growth of sales of railway fastening products and custom compound mixing for O.E. tire manufacturers.



Gross margins improved slightly over the 1998 yearly average to 15.2% (from 15%) of the value of goods sold and produced and to 19.2% (from 17%) of net sales. The increase in sales of rubber railway pads, due to the addition of a major U.S. railway as a primary customer, improved both the sale mix and factory utilization in our Michigan moulding operation.

The Company expects a strong custom compounding and railway products market to continue into the second quarter of 1999. The completion of the major mixing expansion still is expected to be completed by the end of the second quarter. Together with the acquisition of Acton International Inc. sales activity will be further increased in last half of 1999.

We are pleased to announce the appointment of Mr. Axel Breuer CA, as Vice-President Finance. Mr. Breuer has been the CFO of several large, multinational companies and brings with him the expertise required to support continued expansion by the Company.

AirBoss of America Corp. is a manufacturer of rubber and plastic products specializing in patented parts for the transportation industry. AirBoss is also one of North America's largest rubber mixing companies specializing in custom rubber mixing and compound development. AirBoss is listed on the Toronto Stock Exchange under the symbol BOS.

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