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NEWS RELEASE

August 4, 1999 – For Immediate Release

AIRBOSS ANNOUNCES 2nd QUARTER 1999 RESULTS

AirBoss of America Corp. (“AirBoss”) is pleased to announce the following results for the second quarter ending June 30, 1999:

(\$'000 except shares and per share amounts)

Period ending June 30	6 Months*		Change %	3 Months*		Change %
	<u>1999</u>	<u>1998</u>		<u>1999</u>	<u>1998</u>	
Net Sales (<i>Note 1</i>)	\$53,679	\$41,459	29.5 ▲	\$29,478	\$21,055	40.0 ▲
Gross Profit	12,236	6,941	76.3 ▲	7,579	4,013	88.8 ▲
Expenses	5,333	2,846	87.4 ▲	3,638	1,700	114 ▲
Interest and other	680	155	33.8 ▲	599	115	21 ▲
Income before tax	6,223	3,940	57.9 ▲	3,342	2,198	52.0 ▲
Net Income	3,991	2,571	55.2 ▲	2,137	1,456	46.8 ▲
Earnings per share:						
Basic	\$0.20	\$0.16	30.3 ▲	\$0.10	\$0.09	17.0 ▲
Fully diluted	0.19	0.15	30.6 ▲	0.10	0.08	22.5 ▲
Cash flow	7,054	4,736	48.9 ▲	3,632	2,662	36.4 ▲
Cash flow per share	0.34	0.29	20.7 ▲	0.18	0.16	9.4 ▲
Common Shares Outstanding (million):						
Basic	22.6	16.6	36.1 ▲	22.6	16.6	36.1 ▲
Weighted	19.7	16.6	18.7 ▲	20.7	16.6	24.7 ▲
<i>Note (1)</i>						
Value of Goods produced & sold	\$68,105	\$47,263	44.1	\$38,102	\$25,650	48.5
Less: Customer Supplied Materials	<u>14,426</u>	<u>5,804</u>	<u>14.9</u>	<u>8,624</u>	<u>4,595</u>	<u>87.7</u>
Net Sales	<u>\$53,679</u>	<u>\$41,459</u>	<u>29.5</u>	<u>\$29,478</u>	<u>\$21,055</u>	<u>40.0</u>

* Includes the results of Acton International Inc. from the date of acquisition April 22, 1999.



Net income increased 55% to \$4.0 million from \$2.6 million in the same six month period in 1998. Net income for the quarter increased 46% to \$2.1 million from \$1.5 million in 1998.

Sales increased 29.5% to \$53.7 million over \$41.5 million for the six months in 1998, while sales of \$29.5 million for the second quarter increased 40% over the same period in 1998.

The results include the operations of Acton International Inc. ("Acton") acquired on April 22, 1999. Acton manufactures industrial, military and consumer rubber products, and is a world leader in military protective wear. Raw material and production synergies, identified at the time of acquisition, are beginning to materialize and will contribute significantly during the quarters to come.

The ITRM division continues to outperform expectations. Record levels of monthly production have been achieved. The new mixer has been completed on time and budget, and, the mixer has commenced commercial production master batch production. The added capacity will establish AirBoss as the second largest independent compounder in North America.

AirBoss Railway Products continued to generate sales and profit growth. The sales of rubber rail pads increased 27% over the 6 months of 1998. Additional volume growth has been achieved through the expansion of the product lines including plastic pads and insulators. Total railway sales are forecast to double this year.

AirBoss Polymer Products has made a positive contribution to the results as the consequence of rail pad, tire and automotive parts sales to affiliated and third parties.

Tire sales have increased 10% over the same period in 1998; however, wheel conversions have had a dampening impact on profits. This will continue until production programs can be standardized. Programs with lift manufacturers and private labeling for skid steer manufacturers should improve the next quarter results.

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

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AIRBOSS FORWARD LOOKING STATEMENT DISCLAIMER

This report contains forward-looking statements which reflect management's best judgement based on factors currently known but involve significant risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including but not limited to risks more fully described in the "Risk factors" section of the Company's Annual Report, and other risks detailed in filings with the Ontario Securities Commission. Forward-looking information provided pursuant to the safe harbor established by recent securities legislation should be evaluated in the context of these factors.