



AirBoss of America Corp.

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NEWS RELEASE

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EARNINGS WARNING

AirBoss of America Corp. (“AirBoss”) expects earnings for the third and fourth quarter to be significantly below analysts estimates. The anticipated drop in earnings is a result of delays in the start-up of new rubber mixing business, increases in raw material prices and a one-time cost associated with the moving of its engineered rubber products and tire manufacturing operations.

New mixing business with a major O.E. tire manufacturer, which would have represented an increase of 30% in mixing volumes, had been scheduled to start at the beginning of September, 2000. It now appears that this business is unlikely to start until November, 2000 and there is now some doubt that it may be affected by reduced requirements in the future. The Company has hired and trained the additional staff necessary to produce these volumes.

Raw material prices for carbon black and SBR synthetic rubber have increased since June by 14% and 21% respectively due to increases in oil and natural gas prices. There is typically a short time lag before the industry passes along these increases to customers and this has had a negative impact on margins. The Company anticipates further price increases and margin pressure in the next three to four months but feels that as a low cost producer this should create opportunities that will benefit over the long-term.

The Company is in the process of re-organizing its engineered products division by shifting production from its Michigan facility to Kitchener to take advantage of lower cost structures and greater efficiencies available by virtue of its proximity to rubber mixing and product design. Closure and re-organization costs would be recovered in cost savings within the first year after the move.

The Company has also been actively pursuing the sale of all or part of its tire division which it no longer regards as a business which it can grow profitability. Expressions of interest have been received, and, if accepted, could result in a write-down of intangible assets, and excess wheel inventories.

It is anticipated that the Company will have completed the reorganization of its businesses including the rationalization of its Michigan and tire operations and integration of its Acton acquisition by year end 2000.



AirBoss 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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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.