



AirBoss of America Corp.

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NEWS RELEASE

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AIRBOSS ANNOUNCES 2nd QUARTER 2000 RESULTS

AirBoss of America Corp. (“AirBoss”) is pleased to announce the following results for the second quarter ending June 30, 2000:

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

Period ending June 30	6 Months		Change %	3 Months		Change %
	<u>2000</u>	<u>1999</u>		<u>2000</u>	<u>1999</u>	
Net sales (<i>Note 1</i>)	\$65,745	\$53,679	22.5	\$31,759	\$29,478	7.7
Gross Profit	14,861	12,236	21.5	7,628	7,579	0.6
Earnings before interest, taxes & amortization	8,681	8,511	2.0	4,429	4,837	(8.4)
Interest	1,630	877	85.9	837	624	34.1
Income before tax	4,856	6,223	(22.0)	2,480	3,342	(25.8)
Net Income	3,084	3,991	(22.7)	1,575	2,137	(26.3)
Earnings per share:						
Basic	\$0.14	\$0.20	(30.0)	\$0.07	\$0.10	(30.0)
Fully Diluted	0.14	0.19	(26.3)	0.07	0.10	(30.0)
Cash flow	5,357	7,054	(24.1)	2,649	3,633	(27.1)
Cash flow per share (weighted)	\$0.24	\$0.34	(29.4)	\$0.12	\$0.18	(33.3)
Common Shares Outstanding (million):						
Basic	22.8	22.6	0.9	22.8	22.6	0.9
Weighted	22.8	19.7	15.7	22.8	20.7	10.1
<i>Note (1)</i>						
Value of Goods Produced & Sold	\$76,273	\$68,105	12.0	\$37,423	\$38,102	(1.8)
Less: Customer Supplied Materials	<u>10,528</u>	<u>14,426</u>	<u>(27.0)</u>	<u>5,664</u>	<u>8,624</u>	<u>(34.3)</u>
Net Sales	<u>\$65,745</u>	<u>\$53,679</u>	<u>22.5</u>	<u>\$31,759</u>	<u>\$29,478</u>	<u>7.7</u>

Net sales for the six month and three month periods ending June 30, 2000 increased 23% and 8% respectively over the equivalent period in the prior year. Income before interest, taxes and amortization for the six month and three month periods of \$8.7 and \$4.4 million increased 2% and declined 8% respectively over the same periods in 1999.

Custom rubber mixing volumes grew over the six month period to 65.4 million pounds an increase of 6% compared to the same period in 1999 despite a loss of 8 million pounds of business from one O.E. tire customer. The Company has since secured production from new customers, which should result in an increase in O.E. tire customer sales during the next two quarters compared to 1999 and a significant increase in over all custom mixing volume for the year.

Despite a seasonal shift in demand for Acton's products during the first quarter, Acton's sales volumes for the six month period have recovered to last year's levels. The Company has significant new orders for military footwear after being awarded 100% of the \$1.3 million 2000 British military contract for Nuclear Biological Chemical footwear, and industrial products. The Company is in the process of securing increased distribution in Western Canada and in the United States for its industrial and commercial footwear. Sales of these products are 9% ahead of last year with the trend increasing.

The railway division has enjoyed a 29% increase in six month earnings over 1999 as the result of its product portfolio expansion into complete rail fastening systems. In September, a joint venture, initiated in 1999 to produce rail fastening clips, will be commissioned on time and on budget and contribute to additional sales and profit growth. A shift from AirBoss rubber rail pads to AirBoss plastic pads has supported the division's sales growth. However, it has resulted in a decline of our Michigan plant's production volumes and negatively impacted its margins.

Over all the Company expects a significant increase in sales and profits for the last two quarters as capacity utilization increases and as the sales mix shifts to higher margin products.

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.