



## AirBoss of America Corp.

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### NEWS RELEASE

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#### AIRBOSS ANNOUNCES 4<sup>th</sup> QUARTER 2000 RESULTS

AirBoss of America Corp. (“AirBoss”) is pleased to announce the following results for the year and fourth quarter ending December 31, 2000:

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

	Twelve months ended Dec 31		Three months ended Dec 31	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Net sales ( <i>Note 1</i> )	\$138,038	\$120,111	\$35,767	\$ 29,823
Gross profit	28,437	27,998	7,037	8,247
Earnings before interest, taxes & amortization	13,459	17,167	1,589	4,113
Re-organization costs	1,566	0	1,048	0
Interest	3,753	2,614	1,120	905
Income before tax	4,372	11,370	(1,042)	2,426
Net income	\$ 2,746	\$ 7,404	\$ (687)	\$ 1,645
Earnings per share - Basic	0.12	0.35	(0.03)	0.07
- Fully Diluted	0.12	0.34	(0.03)	0.07
Cash flow	\$ 8,859	\$ 14,373	\$ 1,694	\$ 3,920
Cash flow per share (weighted)	0.39	0.67	0.08	0.17
Common shares outstanding (million):				
- Basic	22.5	22.6	22.5	22.6
- Weighted	22.7	21.4	22.7	22.6
<i>Note 1</i>				
Value of goods produced and sold	\$159,356	\$147,629	\$40,893	\$ 37,611
Less: Customer supplied materials	<u>21,318</u>	<u>27,518</u>	<u>5,126</u>	<u>7,788</u>
Net sales	<u>\$138,038</u>	<u>\$120,111</u>	<u>\$35,767</u>	<u>\$29,823</u>

Net sales for the year ended December 31, 2000 increased 15% over the same period in 1999. Net sales for the quarter ended December 31, 2000 increased 20% over the same quarter in 1999. Net income for the year ended December 31, 2000 is \$2.7 million and the Company incurred a loss of \$0.7 million for the fourth quarter of 2000.

The results reflect re-organization costs for the Company's tire and moulded parts divisions of \$1.6 million plus a write-down of \$350,000 in excess tire rim inventory. Of this amount \$1.1 million was incurred in the fourth quarter. The re-organization costs reflect severances and accelerated asset amortization related to the downsizing of its Michigan facility, as well as asset transfer and start-up costs for the new facility in Kitchener. The re-organization was necessary to reduce costs and increase production efficiency and will save an estimated \$1.5 to \$2.0 million annually in operating and product costs.

The rubber compounding division experienced disappointing results for the year primarily due to reductions in volumes from O.E. tire manufacturers and automotive customers in the fourth quarter along with increasing raw material costs. Volume for the year was only marginally higher than in 1999. The Company is well positioned as one of the industry's lowest cost manufacturers to obtain significant new O.E. tire and automotive related business; however, this is not anticipated to occur until current tire inventories are reduced and the automotive market improves. Weak market conditions are forecasted to continue well into 2001. Accordingly, the Company has increased sales and marketing efforts in the U.S. in other market sectors with the objective of increasing customer diversification.

The Company has made considerable progress in developing the business of its Acton International Inc. subsidiary, acquired in April 1999. Sales of protective foot wear increased by over 20% during the year and are anticipated to continue to grow in 2001 at a similar rate as western Canadian and U.S. market penetration increases.

The Company's Railway business has completed the construction, through a joint venture, of a railway clip manufacturing facility. This venture will contribute to increased sales and profits in the second quarter of 2001 as most of the 2001 track construction projects begin in March.

With the current uncertainties in the tire and automotive industries which negatively impact our rubber compounding business, the Company currently expects 2001 profitability to be similar to 2000 with a significant potential upside should conditions improve and our volume increase. As facility currently is operating at approximately 60% of capacity any increases in volume will significantly impact earnings.

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.