



AirBoss of America Corp.

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NEWS RELEASE

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AIRBOSS ANNOUNCES 2nd QUARTER 2001 RESULTS

AirBoss of America Corp. (“AirBoss”) is pleased to announce the following results for the second quarter ending June 30, 2001:

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

	Six months ended June 30		Three months ended June 30	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net sales (<i>Note 1</i>)	\$84,810	\$65,745	\$47,304	\$31,759
Gross profit	15,142	14,972	8,519	7,691
Earnings before interest, taxes and amortization	7,369	8,681	4,790	4,429
Interest	1,751	1,630	811	837
Income before income taxes and amortization of goodwill	3,588	5,216	2,849	2,656
Net income before amortization of goodwill	2,044	3,444	1,659	1,751
Amortization of goodwill	460	360	280	176
Net income	1,584	3,084	1,379	1,575
Earnings per share before amortization of goodwill - Basic	\$0.09	\$0.15	\$0.07	\$0.08
- Fully Diluted	0.09	0.15	0.07	0.08
Earnings per share - Basic	\$0.07	\$0.14	\$0.06	\$0.07
- Fully Diluted	0.07	0.13	0.06	0.07
Cash flow	5,706	5,357	3,826	2,649
Cash flow per share (weighted)	\$0.25	\$0.24	\$0.17	\$0.12
Common shares outstanding (million):				
-Basic	22.5	22.8	22.5	22.8
-Weighted	22.5	22.8	22.5	22.8
<i>Note 1</i>				
Vale of goods produced and sold	\$94,888	\$76,273	\$52,506	\$37,423
Less: Customer supplied materials	10,078	10,528	5,202	5,664
Net sales	\$84,810	\$65,745	\$47,304	\$31,759

Sales for the second quarter ended June 30, 2001 increased 49% from \$31.8 million to \$47.3 million. For the six months period sales grew by 29%. The Railway Products division was responsible for \$6 million



of the \$15.5 million quarterly increase. The Rubber Compounding division and Quebec based AirBoss-Acton each increased sales by more than \$4 million. Gross profit for the three month period increased by 11% but dropped as a percentage of sales from 24% to 18% as higher raw material and delivery costs continue to adversely affect margins and the mixing of customer supplied materials declined as a percentage of overall sales.

Cash flow for the quarter increased to \$0.17 per share from \$0.12 a year earlier. Despite significantly more difficult market conditions, the Company is now ahead of last year's cash flow for the six month period at \$0.25 per share compared to \$0.24 in 2000.

While the Company remains concerned with the effects of the economic slowdown on the rubber and transportation industries, it is encouraged by its ability to increase sales and market share. We attribute this to consistently providing high quality products aggressively priced and marketed.

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.