



AirBoss of America Corp.

Suite 3210, 130 Adelaide Street West
Toronto, Ontario, Canada, M5H 3P5
Tel: 416-368-BOSS (2677)
Fax: 416-368-4448
www : airbossofamerica.com
Toronto Stock Exchange Symbol: BOS

NEWS RELEASE

May 6, 2002 – For Immediate Release

AIRBOSS ANNOUNCES 1st QUARTER 2002 RESULTS

AirBoss of America Corp. ("AirBoss") is pleased to announce the following results for the first quarter ending March 31, 2002:

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

	<u>2002</u>	<u>2001</u>
Net sales	\$43,708	\$37,506
Gross profit	7,315	6,623
Earnings before interest, taxes and amortization (EBITDA)	3,090	2,579
Interest	761	940
Income before income taxes	1,287	559
Net income (<i>see Note</i>)	754	205
Earnings per share - Basic (<i>see Note</i>)	\$0.03	\$0.01
- Diluted	0.03	0.01
EBITDA per share (weighted basic)	\$0.14	\$0.11
Cash flow	\$2,294	\$1,925
Cash flow per share (weighted basic)	0.10	0.09
Weighted average number of common shares outstanding (million):		
-Basic	22.5	22.5
-Diluted	22.8	22.5

Note

Effective January 1, 2002 new accounting standards require the discontinuation of amortization of goodwill. Instead, goodwill is tested for impairment and, if required, written down to fair value. The following table presents the effect on the three months ended March 31, 2001 as if the Company had retroactively adopted the change in accounting policy:

Reported net income for the period	\$205
Add back:	
Amortization of goodwill	180
Adjusted net income for the period	<u>\$385</u>
Basic and diluted earnings per share	
Net income for the period	\$0.01
Amortization of goodwill	0.01
Adjusted basic and diluted earnings per share	<u>\$0.02</u>

Net sales increased by 16% in the three month period ended March 31, 2002 due to increased sales of railway track fastening products and rubber compounds. Gross margins as a percentage of sales declined marginally due to a change in product mix, however, earnings before interest, taxes and amortization in the period increased by 20% compared to the prior year.

The rubber compounding division accounted for a majority of the sales increase. This increase was principally due to a change in customer mix. The division has been very successful in replacing lost volume contract mixing materials for tire manufacturers with new business where AirBoss provides both materials and development expertise.

The Railway Products, AirBoss Defense and Acton Industrial Products divisions both experienced increased sales activity for the period. Sales of metal rail fastening clips increased significantly as did the sale of rubber industrial products. Production of the Company's Nuclear Biological and Chemical protective military glove started May 1st and this should contribute in the remainder of the year.

The Company expects some improvement in financial results in the second quarter as a result of stronger April sales in the Rubber Compounding division with potential for significant increases in the latter half of the year provided automotive and tire markets continue to improve.

AirBoss is a manufacturer of proprietary rubber and plastic products for the transportation industry and military. 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.

Contact – R.L. Hagerman, President (416) 368-2677

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.