



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

August 13, 2002 – For Immediate Release

AIRBOSS ANNOUNCES 2nd QUARTER 2002 RESULTS

AirBoss of America Corp. ("AirBoss") is pleased to announce the following results for the six months and second quarter ended June 30, 2002:

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

	Six months ended June 30		Three months ended June 30	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Sales	\$89,205	\$84,810	\$45,497	\$47,304
Gross profit	15,304	15,142	7,989	8,519
Earnings before interest, taxes and amortization (EBITDA) (Note 2)	6,713	7,369	3,623	4,790
Interest	1,512	1,751	751	811
Income before income taxes	3,014	3,128	1,727	2,569
Net income (Note 1)	\$1,847	\$1,584	\$1,093	\$1,379
Earnings per share - Basic (Note 1) - Diluted	\$0.08 0.08	\$0.07 0.07	\$0.05 0.05	\$0.06 0.06
EBITDA per share (weighted basic) (Note 2)	\$0.30	\$0.33	\$0.16	\$0.21
Cash flow	\$4,822	\$5,814	\$2,528	\$3,889
Cash flow per share (weighted basic)	0.21	0.26	0.11	0.17
Weighted average number of common shares outstanding (million):				
-Basic	22.5	22.5	22.5	22.5
-Diluted	22.5	22.5	22.5	22.5

Sales for the six month period ended June 30, 2002 increased 5% to \$89.2 million. The AirBoss Rubber Compounding division has been successful in replacing most of the revenues lost due to major tire manufacturers' production cutbacks with industrial rubber products sales to both existing and new customers. The sales of railway track fastening clips and military protective wear also remained strong. Sales of rail pads continued to be restricted pending the outcome of ongoing legal actions and this contributed to a slight decline in sales for the three month period ended June 30 compared to last year.

Over the next two quarters the Company expects to see continued market share increases in all of its core businesses. Overall market conditions remain unchanged from the first quarter with continued competitive pricing, compressed order lead times and fluctuating raw materials costs. This continues to create opportunities to add new customers.

Note 1

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 six months and three months ended June 30, 2001 as if the Company had retroactively adopted the change in accounting policy:

	<u>Six Months</u>	<u>Three Months</u>
Reported net income for the period	\$1,584	\$1,379
Add back:		
Amortization of goodwill	460	280
Adjusted net income for the period	<u>\$2,044</u>	<u>\$1,659</u>
Basic and diluted earnings per share		
Net income for the period	\$0.07	\$0.06
Amortization of goodwill	0.02	0.01
Adjusted basic and diluted earnings per share	<u>\$0.09</u>	<u>\$0.07</u>

Note 2

The Company discloses EBITDA, a financial measurement used by interested parties. EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures presented by other issuers. EBITDA is not a measure of performance under GAAP and should not be considered in isolation or as a substitute for net income under GAAP.

	Six Months		Three Months	
	2002	2001	2002	2001
Income before income taxes	\$3,014	\$3,128	\$1,727	\$2,569
Interest	1,512	1,751	751	811
Amortization	2,187	2,490	1,145	1,410
EBITDA	<u>\$6,713</u>	<u>\$7,369</u>	<u>\$3,623</u>	<u>\$4,790</u>

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.