

# AirBoss of America Corp.

16441 Yonge Street  
Newmarket, Ontario, Canada  
L3X 2G8  
Tel: 905 751 1188  
Fax: 905 751 1101  
www.airbossofamerica.com  
Toronto Stock Exchange Symbol: BOS

NEWS RELEASE

May 3, 2004 For Immediate Release

## AIRBOSS ANNOUNCES 1<sup>ST</sup> QUARTER 2004 RESULTS

AirBoss of America Corp. ("AirBoss") announces the following results for the three month period ended March 31, 2004:

(000's except shares and per share amounts)

	Three months ended March 31	
	<u>2004</u>	<u>2003</u>
Net Sales	\$48,254	\$48,516
Gross margin	7,009	7,245
Earnings before interest, taxes & amortization (EBITDA)(Note 1)	2,989	3,009
Interest	698	673
Income before income taxes	906	1,001
Net income	591	672
Earnings per share		
- Basic	\$0.03	\$0.03
- Diluted	\$0.03	\$0.03
Cash flow before changes in non-cash working capital	\$2,412	\$1,950
Common shares outstanding (million):		
- Basic	22.5	22.5
- Diluted	23.0	23.1

### Note 1

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.

	Three months ended March 31	
	<u>2004</u>	<u>2003</u>
Income before income taxes	906	1,001
Interest	698	673
Amortization	1,385	1,335
EBITDA	<u>2,989</u>	<u>3,009</u>

Sales for the three-month period ended March 31, 2004 remained steady at just slightly over \$48 million as volume increases were offset by the lower translation of U.S. dollar denominated sales. Sales volumes of rubber compounds increased by 17% to 38 million lbs. compared to the same period in 2003 and by 40% in comparison to the last quarter of 2003. The trend has continued into the second quarter and will be further augmented by increases in military and railway product sales.

Rubber material costs remain high and are expected to remain so in the immediate future. There is some speculation that the market for both natural and synthetic material may trend higher as worldwide demand continues to keep markets tight.

With increased volume in compounds, a stabilized labour situation in Acton and with the decision to de-emphasize commercial footwear manufacturing in favour of specialty and military protective products the outlook for the year continues to indicate solid improvement over the last half of 2003. All divisions are operating profitably and cash flow from operations reached a two year high for the quarter.

AirBoss is a manufacturer of proprietary rubber products for the military and transportation industry. AirBoss is also one of North America's largest custom rubber mixing companies serving a wide range of industries.

Contact R.L. Hagerman, CEO (905) 751-1188

The full quarterly report will be posted on the Company's website ([www.airbossofamerica.com](http://www.airbossofamerica.com)).

A conference call to discuss the quarterly results is scheduled for 11am EDT, Monday, May 3, 2004. Please either follow the link on our website or at [www.ccnmatthews.com](http://www.ccnmatthews.com) under webcasts and/or dial in to the following numbers: 416-405-9328 or Toll Free: 800-387-6216.

#### 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.