



# AirBoss of America Corp.

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Toronto Stock Exchange Symbol: BOS

NEWS RELEASE

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## AIRBOSS ANNOUNCES 1<sup>st</sup> Quarter 2009 RESULTS AirBoss-Defense delivers strong results

AirBoss of America Corp. ("AirBoss") announces the following results for the three-month period ended March 31, 2009:

(thousand \$CAD, except shares and per share amounts)	Three-month period ended	
	March 31	
	2009	2008
Net Sales	\$53,085	\$55,134
Gross margin	4,981	5,002
Earnings before interest, tax and amortization (EBITDA) (Note 1)	2,338	3,497
Interest expense	524	707
Net income	422	998
<u>Net income per share</u>		
-Basic and Diluted	0.02	0.04
<u>Cash flow before changes in non-cash working capital</u>		
	2,318	2,266
<u>Common shares outstanding (millions)</u>		
-Basic	23.8	23.8
-Diluted	23.8	23.8

The strong first quarter performance of the AirBoss-Defense division of AirBoss of America Corp offset the effects of the economic downturn experienced in the Rubber Compounding Division. Sales of defense and industrial products increased by \$4.7 million to \$18.5 for the three months ended March 31, 2009. The increased sales were due to export volume increases in Chemical, Biological, Radiological, Nuclear ("CBRN") protective footwear and handwear and the appreciation of the US dollar. Sales of rubber compounds declined by 16%, to \$34.6 million, during the quarter. Decreased demand was experienced in all sectors reaching a low in February and gradually increasing thereafter.

The Company anticipates the strong results for AirBoss-Defense to continue for the remainder of the year. Production capacity will be added in the US to enable the Company to service the increased demand for CBRN products. Production of injection moulded products has been increased to around the clock seven days a week for the second quarter. The Company believes that sales volumes of rubber compounds will continue to increase and that we will return to very reasonable volume levels by mid-second quarter.

Net income for the quarter was \$422,000 compared to \$998,000 in the previous year. Net income would have been comparable to the previous year except for a non-cash exchange loss from the Company's hedging program of \$674,000. The Company hedges certain balance sheet exposures as well as selling forward expected future net receipts of US dollars when reasonably predictable, such as defense products sales orders. These contracts have an average price of \$0.82 compared to the month end

rate of \$0.808 resulting in the recording of the non-cash loss. This will reverse entirely in April with the rise of the Canadian dollar and at current rates would be a significant gain.

AirBoss of America Corp. develops, manufactures, and sells high quality, proprietary rubber-based products offering enhanced performance and productivity to transportation, military and industrial markets. With a capacity to supply 250 million pounds of rubber annually to a diverse group of rubber manufacturers, AirBoss is also one of North America's largest custom rubber compounding companies. The Company's shares trade on the TSX under the symbol BOS. Visit [www.airbossofamerica.com](http://www.airbossofamerica.com).

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The annual meeting is scheduled for 4:30 p.m. EDT Tuesday, May 12, 2009 at the Company's head office at which time the results for the 1<sup>st</sup> Quarter will also be discussed. Please follow the link on our website or at [www.marketwire.com](http://www.marketwire.com) under webcasts or dial in to the following numbers: 416-340-2216 or Toll Free: 1-866-226-1792. Direct Replay Access number: 1-800-408-3053.

**Note 1:**

The Company discloses EBITDA, based on the Company's continuing operations, 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.

(\$ thousands)	Three months ended	
	March 31	
	2009	2008
Income before income taxes	660	1,579
Interest expense	524	707
Amortization	1,154	1,211
EBITDA	2,338	3,497

**AIRBOSS FORWARD LOOKING STATEMENT DISCLAIMER**

*Certain statements included herein, including those that express management's expectations or estimates of future developments or AirBoss' future performance, constitute "forward-looking statements" within the meaning of applicable securities laws. Words such as "may", "could" "expects", "anticipates", "forecasts", "plans", "intends" or similar expressions are intended to identify forward-looking statements.*

*Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. AirBoss cautions that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause AirBoss' actual financial results, performance, or achievements to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation: changes in accounting policies and methods including uncertainties associated with critical accounting assumptions and estimates; AirBoss' ability to maintain existing customers or develop new customers in light of increased competition; cyclical trends in the tire and automotive, construction, mining, retail and rail transportation industries; sufficient availability of raw materials at economical costs; weather conditions affecting raw materials, production and sales; potential product liability and warranty claims; its dependence on key customers; equipment malfunction; changes in the value of the Canadian dollar relative to the US dollar; ability to obtain financing on acceptable terms; environmental damage caused by it and non-compliance with environmental laws and regulations; changes in tax laws, and potential litigation.*

*This list is not exhaustive of the factors that may affect any of AirBoss' forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to AirBoss or persons acting on its behalf are expressly qualified in their entirety by this notice. Whether as a result of new information, future events or otherwise, AirBoss disclaims any intent or obligation to update publicly these forward-looking statements. Risks and uncertainties about AirBoss's business are more fully discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2008 Annual Report to Shareholders under the heading "Risk Factors".*