



AIRBOSS OF AMERICA CORP.

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

NEWS RELEASE

For Immediate Release – January 17, 2012

AirBoss of America Corp. Approves 50% Increase in Capital Expenditures For 2012

The Board of Directors has approved immediate capital projects for 2012 totalling \$8.8 million. Of this amount \$6.3 is earmarked for Rubber Compounding to expand practical capacities and improve efficiencies in anticipation of volume increases planned for the second quarter of the year. The remaining \$2.6 million is earmarked for the Defense products business mainly to expand R&D capabilities.

While significant expenditures are planned for all three compounding facilities in Québec, Ontario and North Carolina, the largest refurbishment is planned for our Scotland Neck factory. Some of these improvements will be in place as early as January, while we hope to complete them all by June 2012. These changes are necessary to deal with volume demands which could see manufacturing volumes increased by over 20% in the coming year.

The Defense products expenditures include the completion of the new R&D facility in Bromont, Québec which will include a state of the art clean room and laboratory. Ongoing development work, some of which is being completed in conjunction with direct and indirect government assistance, is directed towards next generation protective products. While we expect significant slowdowns in North American purchasing of these products in the near term due to military budget constraints, we are increasing our efforts to expand our product lines and the commercialization of new products in time for the anticipated next increase in the purchasing cycle.

Contact R.L. Hagerman, CEO (905) 751-1188 or P. G. Schoch, Chairman (905) 751-1188

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 over 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.

AIRBOSS FORWARD LOOKING STATEMENT DISCLAIMER

Certain statements included herein, including those that express management's expectations or estimates of future developments or AirBoss's 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's 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's ability to maintain existing customers or develop new customers in light of increased competition; cyclical trends in the tire and automotive, construction and mining 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's 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 2010 Annual Report to Shareholders under the heading "Risk Factors".