



# AirBoss of America Corp.

16441 Yonge Street  
Newmarket, Ontario, Canada  
L3X 2G8

Tel: 905 751 1188

Fax: 905 751 1101

[www.airbossofamerica.com](http://www.airbossofamerica.com)

Toronto Stock Exchange Symbol: BOS

## NEWS RELEASE

May 9, 2007 - For Immediate Release

### AIRBOSS ANNOUNCES 1<sup>st</sup> Quarter 2007 RESULTS

AirBoss of America Corp. ("AirBoss") announces the following results for the three month period ended March 31, 2007:

(thousand \$CAD, except shares and per share amounts)	Three months ended March 31	
	2007	2006
Net Sales	\$59,655	\$61,115
Gross margin	6,368	8,286
Earnings before interest, tax and amortization from continuing operations (EBITDA) (Note 1)	3,676	4,715
Interest expense	775	829
Net income from continuing operations	1,144	1,828
Net income (loss) from discontinued operations	6	(51)
Net income	1,150	1,777
<u>Net income per share from continuing operations</u>		
-Basic	0.05	0.08
-Diluted	0.05	0.08
<u>Net income per share</u>		
-Basic	0.05	0.08
-Diluted	0.05	0.08
<u>Cash flow before changes in non-cash working capital from continuing operations</u>	1,808	2,734
<u>Common shares outstanding (millions)</u>		
-Basic	23.8	23.0
-Diluted	24.0	23.6

Sales for the three-month period ended March 31, 2007 decreased 2.4% while net income from continuing operations decreased from \$1.8 million to \$1.1 million. These decreases were primarily due to the anticipated temporary weakness in demand for rubber track products and rubber compounds servicing the energy generation sector. The long-term outlook for both these groups is excellent and demand has already rebounded in the second quarter. This increase in volume will also benefit margins through higher recoveries of fixed overhead costs. AirBoss is still anticipating year over year growth in its rubber compounding business.

The AirBoss-Defense division had a strong quarter as a result of increased shipments of CBRN footwear to military customers. This increase is expected to be supplemented by military orders for protective hand wear and gas masks which will be finalized in the second quarter for delivery throughout the remainder of the year.

Despite the slower start to the year the Company is looking for solid year over year volume increases in both the Rubber Compounding and Defense businesses. We have, in most cases, aligned ourselves with the leaders in the industries that we service with our rubber products, significant contracts and orders are being finalized in our Defense division and the Railway Product group continues to perform in a geographically expanding market place.

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).

Contact R.L. Hagerman, CEO (905) 751-1188 or Stephen Richards, CFO (905) 751-1188

The annual meeting is scheduled for 4:30 p.m. EDT Thursday, May 10, 2007 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.ccnmatthews.com](http://www.ccnmatthews.com) under webcasts or dial in to the following numbers: 416-695-6120 or Toll Free: 1-877-323-2010. Direct Replay Access number: 1-888-509-0081.

**Note 1:**

(\$thousands)	Three months ended	
	March 31	
	2007	2006
Income from continuing operations before income taxes	1,747	2,648
Interest expense	775	829
Amortization from continuing operations	1,154	1,238
EBITDA from continuing operations	3,676	4,715

**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 2006 Annual Report to Shareholders under the heading "Risk Factors".*