



# AirBoss of America Corp.

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Toronto Stock Exchange Symbol: BOS

## NEWS RELEASE

May 12, 2008 - For Immediate Release

### AIRBOSS ANNOUNCES 1<sup>st</sup> Quarter 2008 RESULTS

AirBoss of America Corp. ("AirBoss") announces the following results for the three month period ended March 31, 2008:

(thousand \$CAD, except shares and per share amounts)	Three months ended March 31	
	2008	2007
Net Sales	\$58,978	\$59,655
Gross margin	5,693	5,997
Earnings before interest, tax and amortization (EBITDA) (Note 1)	3,576	3,687
Interest expense	697	780
Net income	972	1,150
<u>Net income per share</u>		
-Basic and Diluted	0.04	0.05
<u>Cash flow before changes in non-cash working capital</u>		
	2,302	1,814
<u>Common shares outstanding (millions)</u>		
-Basic	23.8	23.8
-Diluted	23.8	24.0

Sales for the three-month period ended March 31, 2008 decreased by \$0.7 million or 1.1% to \$59 million. The declining US dollar had the effect of reducing sales expressed in Canadian dollars by \$7.5 million. Sales volumes increased during the quarter compared to the same period the previous year at both our Rubber Compounding division and at AirBoss-Defense. US sales of CBRN protective wear and other military products have increased by 34% for the year and we anticipate this trend to continue for the remainder of the year.

EBITDA results for the quarter were relatively flat compared to last year at \$3.6 million versus \$3.7 million in 2007. This was despite a timing difference between the translation of inventory purchased in US dollars and the offsetting US dollar loan used as a long term hedge. This had a temporary negative impact of approximately \$0.5 million and may reverse early in the second quarter.

Raw material price increases continue to be the greatest challenge due to shortages in supply of certain key materials such as synthetic rubber, rapidly rising oil prices and currency fluctuations. We have secured most materials into the third quarter and accordingly expect a strong second quarter performance from Rubber Compounding to compliment the success of AirBoss-Defense.

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

A conference call to discuss the 1st Quarter results is scheduled for 10:00 a.m. EDT, Tuesday, May 13, 2008. 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: 416-641-6136 or Toll Free: 1-866-223-7781.

The annual meeting is scheduled for 4:30 p.m. EDT Thursday, May 15, 2008 at the Company's head office. 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: 416-340-8010 or Toll Free: 1-866-540-8136. 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	
	2008	2007
Income before income taxes	1,601	1,753
Interest expense	697	780
Amortization	1,278	1,154
EBITDA	3,576	3,687

**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 2007 Annual Report to Shareholders under the heading "Risk Factors".*