

# 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 2005 RESULTS

### NET INCOME FROM CONTINUING OPERATIONS UP 22%

AirBoss of America Corp. ("AirBoss") announces the following results for the three month period ended March 31, 2005:

(000's except shares and per share amounts)

		Three months ended March 31	
		<u>2005</u>	<u>2004</u>
Net Sales		\$59,568	\$44,055
Gross margin		7,292	6,281
Earnings before interest, taxes & amortization from continuing operations (EBITDA) (Note 1)		4,324	3,879
Interest Expense		801	698
Net income from continuing operations		1,558	1,272
Net income (loss) from discontinued operations		(38)	(681)
Net income		1,520	591
Net income per share from continuing operations	- Basic	\$0.07	\$0.06
	- Diluted	\$0.07	\$0.06
Net income per share	- Basic	0.07	0.03
	- Diluted	0.06	0.03
Cash flow before changes in non-cash working capital from continuing operations			
Common shares outstanding (millions)	- Basic	22.7	22.5
	- Diluted	23.8	23.0

#### 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.

		Three months ended March 31	
		<u>2005</u>	<u>2004</u>
Income from continuing operations before income taxes		2,266	1,796
Interest expense		801	698
Amortization from continuing operations		1,257	1,385
EBITDA – continuing operations		<u>4,324</u>	<u>3,879</u>

Sales for the three-month period ended March 31, 2005 increased by \$15.5 million or 35% compared to the same period in 2004, while net income from continuing operations increased by 22% to \$1.6 million. The increase in volume is due primarily to strong demand for rubber compounds used in the energy generation and transportation industries. This trend is expected to continue for the remainder of the year.

Commodity prices continued to impact the industry and have compressed margins in high volume compounds. Positive production efficiencies in our military and engineered products groups bolstered profits in the first quarter and more than offset start-up costs in the new compounding facility in North Carolina.

The AirBoss Railway Products group also contributed a strong quarter with significant revenues generated from major track construction projects.

AirBoss is a manufacturer of proprietary rubber products for the military and transportation industry. AirBoss is also one of North America's manufacturers of custom rubber compounds for a wide range of industrial applications. The Company's shares are listed on the Toronto Stock Exchange ("BOS").

Contact R.L. Hagerman, CEO (or) Stephen W. Richards, CFO at (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, Thursday, May 5, 2005. 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: 416-695-7896 or Toll Free 1-800-565-0813

#### AIRBOSS FORWARD LOOKING STATEMENT DISCLAIMER

This report contains forward-looking statements, which reflect management's best judgment 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.