



AirBoss of America Corp.

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Toronto Stock Exchange Symbol: BOS

NEWS RELEASE

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AIRBOSS ANNOUNCES 2nd QUARTER 2006 RESULTS Net income from continuing operations for the quarter up 100%

AirBoss of America Corp. ("AirBoss") announces the following results for the three and six-month periods ended June 30, 2006:

(000's except shares and per share amounts)	Three months ended June 30		Six months ended June 30	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net Sales	\$60,884	\$61,210	\$121,999	\$120,778
Gross margin	9,115	7,750	17,401	14,965
Earnings before interest, tax and amortization from continuing operations (EBITDA) (Note 1)	5,746	4,678	10,462	8,681
Interest expense	796	754	1,626	1,581
Net income from continuing operations	3,402	1,696	5,230	3,014
Net income (loss) from discontinued operations	(280)	(99)	(331)	103
Net income	3,122	1,597	4,899	3,117
Net income per share from continuing operations				
- Basic	0.14	0.07	0.22	0.13
-Diluted	0.14	0.07	0.22	0.13
Net income per share				
-Basic	0.13	0.07	0.21	0.14
-Diluted	0.13	0.07	0.21	0.13
Cash flow before changes in non-cash working capital from continuing operations	3,475	2,963	6,209	6,040
Common shares outstanding (millions)				
-Basic	23.7	22.8	23.3	22.7
-Diluted	24.2	24.0	23.8	23.9

Sales for the three-month period ended June 30, 2006 decreased by 1% compared to 2005 while net income from continuing operations increased by 100% to \$3.4 million. While sales were affected by the higher Canadian dollar and timing of military protective wear orders, profitability was favorably impacted by production efficiencies in the Rubber Compounding Division, and improved product mix in the Railway Products Division and a lower tax rate.

Demand for products servicing the energy generation sectors continues to be strong and hence our customer demand remains strong.

The strong second quarter performances of the Rubber Compounding and Railway Products Divisions and favourable income tax changes have the Company on target to achieve earnings goals for the year.

The softening demand for rubber compound, rising commodity prices, and uncertainty of the requirements for military protective wear are cause for a more conservative earnings outlook in the second half of the year.

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.

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The full quarterly report will be posted on the Company's website (www.airbossofamerica.com).

A conference call to discuss the quarterly results is scheduled for 11:30 am EDT, August 11th, 2006. Please follow the link on our website or at www.ccnmatthews.com under webcasts or dial in to the following numbers: 416-695-9757 or Toll Free: 1-888-789-0089. Direct Replay Access number: 1-888-509-0081.

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 June 30		Six months ended June 30	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Income from continuing operations before income taxes	3,685	2,618	6,333	4,537
Interest expense	796	754	1,626	1,581
Amortization from continuing operations	1,265	1,306	2,503	2,563
EBITDA- continuing operations	5,746	4,678	10,462	8,681

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, 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'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 2005 Annual Report to Shareholders under the heading "Risk Factors".