



# AirBoss of America Corp.

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 Toronto Stock Exchange Symbol: BOS

## NEWS RELEASE

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### AIRBOSS ANNOUNCES 2nd Quarter 2008 RESULTS Earnings per share up 175% for quarter, 100% for six months

AirBoss of America Corp. ("AirBoss") announces the following results for the three and six month periods ended June 30, 2008:

(thousand \$CAD, except shares and per share amounts)	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Net Sales	\$68,913	\$59,367	\$127,891	\$119,024
Gross margin	8,399	5,252	14,457	11,248
Earnings before interest, tax and amortization (EBITDA) (Note 1)	5,886	2,880	9,462	6,568
Interest expense	625	823	1,322	1,604
<b>Net income</b>	<b>2,731</b>	868	<b>3,703</b>	2,018
<b>Net income per share</b>				
-Basic and Diluted	<b>0.11</b>	0.04	<b>0.16</b>	0.08
<b>Cash flow before changes in non-cash working capital</b>	<b>3,862</b>	1,774	6,164	3,588
<b>Common shares outstanding (millions)</b>				
-Basic	<b>23.8</b>	23.8	<b>23.8</b>	23.8
-Diluted	<b>23.8</b>	24.0	<b>23.8</b>	24.0

Earnings before interest and amortization ("EBITDA") increased by 104% to \$5.9 million for the second quarter compared to 2007 and by 44% to \$9.5 million for the six-month period ended June 30, 2008. Earnings per share were \$0.11, up 175% for the quarter and doubled to \$0.16 for the six-month period. Sales for the three-month period ended June 30, 2008 increased by \$9.5 million or 16% compared to 2007 as a result of strong sales quarters in both defense products and rubber compounds.

Sales for the six-month period of the AirBoss-Defense division have increased by over 70% to \$19.8 million compared to the same period in the previous year. Strong sales of the Company's Chemical, Biological, Radiological and Nuclear (CBRN) protective wear account for most of the improved performance. These sales have been augmented by sales of military vehicle rubber repair products. The Division anticipates this strong performance to continue for the remainder of the year as over 90% of plan volumes are now covered by issued orders.

The rubber compounding division also showed a year over year volume increase despite unsettled market conditions in the US and continued disruption and margin pressure from volatile world-wide prices for key raw materials. Sales increases were experienced in the mining and defense sectors which more than offset weaknesses in automotive and distribution. Continued sales increases are also anticipated in this division for the remainder 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 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).

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A conference call to discuss the quarterly results is scheduled for 10:00 am EDT, August 13<sup>th</sup>, 2008. 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** - EBITDA refers to net earnings from continuing operations determined in accordance with GAAP, before amortization, interest expense and income tax. The Company discloses EBITDA, a financial measurement used by interested parties and investors to monitor the ability of an issuer to generate cash from operations for debt service, financing working capital and capital expenditures, and pay dividends. 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 June 30		Six months ended June 30	
	2008	2007	2008	2007
Income before income taxes	<b>3,863</b>	819	<b>5,464</b>	2,572
Interest expense	<b>625</b>	823	<b>1,322</b>	1,604
Amortization	<b>1,398</b>	1,238	<b>2,676</b>	2,392
<b>EBITDA</b>	<b>5,886</b>	2,880	<b>9,462</b>	6,568

#### 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".*