



# AirBoss of America Corp.

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Toronto Stock Exchange Symbol: BOS

## NEWS RELEASE

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### AIRBOSS ANNOUNCES 3rd Quarter 2007 RESULTS

AirBoss of America Corp. ("AirBoss") announces the following results for the three and nine month periods ended September 30, 2007:

| (thousand \$CAD, except shares and per share amounts)                                       | Three months ended<br>September 30 |          | Nine months ended<br>September 30 |           |
|---|------------------------------------|----------|-----------------------------------|-----------|
|   | 2007                               | 2006     | 2007                              | 2006      |
| Net Sales   | <b>\$56,703</b>                    | \$55,681 | <b>\$175,728</b>                  | \$177,680 |
| Gross margin  | <b>6,092</b>                       | 6,943    | <b>18,101</b>                     | 24,344    |
| Earnings before interest, tax and amortization from continuing operations (EBITDA) (Note 1) | <b>3,375</b>                       | 3,999    | <b>9,949</b>                      | 14,461    |
| Interest expense  | <b>949</b>                         | 888      | <b>2,578</b>                      | 2,514     |
| Net income from continuing operations   | <b>1,012</b>                       | 1,580    | <b>3,090</b>                      | 6,809     |
| Net income (loss) from discontinued operations  | <b>139</b>                         | 19       | <b>79</b>                         | (311)     |
| Net income  | <b>1,151</b>                       | 1,599    | <b>3,169</b>                      | 6,498     |
| <u>Net income per share from continuing operations</u>                                      |                                    |          |                                   |           |
| -Basic  | <b>0.04</b>                        | 0.07     | <b>0.13</b>                       | 0.29      |
| -Diluted  | <b>0.04</b>                        | 0.07     | <b>0.13</b>                       | 0.28      |
| <u>Net income per share</u>   |                                    |          |                                   |           |
| -Basic  | <b>0.05</b>                        | 0.07     | <b>0.13</b>                       | 0.28      |
| -Diluted  | <b>0.05</b>                        | 0.07     | <b>0.13</b>                       | 0.27      |
| <u>Dividend declared per share</u>  | -                                  | -        | <b>0.025</b>                      | -         |
| <u>Cash flow (before changes in non-cash working capital) from continuing operations</u>    |                                    |          |                                   |           |
|   | <b>1,734</b>                       | 2,483    | <b>5,379</b>                      | 8,691     |
| <u>Common shares outstanding (millions)</u>   |                                    |          |                                   |           |
| -Basic  | <b>23.8</b>                        | 23.8     | <b>23.8</b>                       | 23.5      |
| -Diluted  | <b>24.0</b>                        | 24.2     | <b>24.0</b>                       | 23.9      |

Sales for the three-month period ended September 30, 2007 increased 1.8% while net income from continuing operations decreased from \$1.6 million in 2006 to \$1.0 million in 2007.

Third quarter sales volume in the Rubber Compounding Division increased by 3% compared to the prior year. This represents an improvement over sales for the first six months which had shown a slight decline. There continues to be some weakness in demand in certain key rubber market segments such as pneumatic, solid and retread tires indicative automotive and retread tire sectors. This market weakness has created an overcapacity in the industry which will result in a very competitive environment.

AirBoss-Defense sales increased by \$2.0 million from increased shipments of Chemical Biological Radiological and Nuclear ("CBRN") protective wear however margins on US sales decreased by \$0.7 million due to the strengthening of the Canadian dollar and a change in product mix compared to prior years.

Defense CBRN product sales should continue to increase in the fourth quarter and throughout 2008. Exchange rates will continue to be a major concern on US military product sales, however, Canadian and European sales are also expected to increase significantly. Sales of rubber compounds are also expected to increase in 2008 as new customers, who are currently testing our compounds begin to place orders.

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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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 10:00 am EDT, November 9th, 2007. 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: 416-641-6130 or Toll Free: 1-866-226-1792.

**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 |       | Nine months ended |        |
|---|--------------------|-------|-------------------|--------|
|   | September 30       | 2006  | September 30      | 2006   |
| Income from continuing operations before income taxes | <b>1,218</b>       | 2,027 | <b>3,772</b>      | 8,360  |
| Interest expense                                      | <b>949</b>         | 888   | <b>2,578</b>      | 2,514  |
| Amortization from continuing operations               | <b>1,208</b>       | 1,084 | <b>3,598</b>      | 3,587  |
| <b>EBITDA from continuing operations</b>              | <b>3,375</b>       | 3,999 | <b>9,948</b>      | 14,461 |

#### 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".*