



AirBoss of America Corp.

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Toronto Stock Exchange Symbol: BOS

NEWS RELEASE

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AIRBOSS ANNOUNCES 2006 RESULTS 333% increase in net income from continuing operations

AirBoss of America Corp. ("AirBoss") announces the following results:

(\$ thousands, except shares and per share amounts)	Three months ended December 31		Twelve months ended December 31	
	2006	2005	2006	2005
Net Sales	\$52,949	\$51,258	\$230,629	\$226,242
Gross margin	5,863	5,657	30,207	26,298
Earnings before interest, tax and amortization from continuing operations (EBITDA) (Note 1)	1,716	1,918	16,175	9,963
Interest expense	604	547	3,117	2,855
Net income (loss) from continuing operations	(95)	182	6,715	1,552
Net income (loss) from discontinued operations	87	47	(225)	49
Net income (loss)	(8)	229	6,490	1,601
<u>Net income per share from continuing operations</u>				
-Basic	0.00	0.01	0.29	0.07
-Diluted	0.00	0.01	0.28	0.06
<u>Net income per share</u>				
-Basic	0.00	0.01	0.28	0.07
-Diluted	0.00	0.01	0.27	0.07
<u>Cash flow before changes in non-cash working capital from continuing operations</u>	1,450	1,780	10,140	6,207
<u>Common shares outstanding (millions)</u>				
-Basic	23.8	22.8	23.6	22.8
-Diluted	24.0	24.2	23.8	24.0

Sales for the year increased by approximately 2% while net income from continuing operations increased by 333% to \$6.7 million. The increase was attributable to a substantial year-over-year improvement by the Company's Rubber Compounding division and a strong performance by the Railway Products division. Improvements in gross margin were due largely to manufacturing improvements and the elimination of prior year losses from the temporary US manufacturing location. Demand from customers in certain sectors, such as rubber compounds for mining belting, rubber tracks and automotive parts, softened in the fourth quarter and this will continue into 2007. Despite this weakness, we continue to be optimistic that 2007 will result in a continuation of the trend of increased volumes and profitability year-over-year.

Earnings before interest and taxes increased by 62% but were negatively impacted at year end by non-cash losses of approximately \$0.5 million due to the unrealized foreign currency losses on the revaluation of outstanding foreign exchange contracts and long-term debt. It is the Company's policy to sell forward each quarter 50% of the excess US dollars expected to be generated by operations in the next quarter. At year end, all forward contracts outstanding were revalued at the year end exchange rate.

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.

Contact R.L. Hagerman, CEO (905) 751-1188 or Stephen Richards, CFO (905) 751-1188

A conference call to discuss the year end results is scheduled for 9:00 am EDT, March 21, 2007. Please follow the link on our website or at www.ccnmatthews.com under webcasts or dial in to the following numbers: 416-695-6130 or Toll Free: 1-877-888-4605. 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.

(\$ thousands)	Three months ended		Twelve months ended	
	December 31	2005	December 31	2005
Income (loss) from continuing operations before income taxes	(14)	355	8,345	2,292
Interest expense	604	547	3,117	2,855
Amortization from continuing operations	1,126	1,016	4,713	4,816
EBITDA from continuing operations	1,716	1,918	16,175	9,963

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".