



NEWS RELEASE

August 11, 2014 - For Immediate Release

**AIRBOSS ANNOUNCES 2nd Quarter 2014 RESULTS**

**Q2 2014 Highlights:**

- Net sales increased by 33.2%
- Gross margin improved from 13.6% to 15.7%
- EPS increased to \$0.17 (Basic), an increase of 21.4%
- EBITDA increased by 30.6%

(US \$thousands, except shares and per share amounts)	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Net Sales	<b>79,473</b>	59,659	<b>150,889</b>	114,018
Gross margin	<b>12,485</b>	8,096	<b>21,935</b>	14,588
Earnings before interest, tax and amortization from operations (EBITDA) (Note 1)	<b>7,859</b>	6,018	<b>14,127</b>	10,332
Finance costs	<b>625</b>	202	<b>1,205</b>	394
<b>Net income</b>	<b>3,780</b>	3,060	<b>6,261</b>	5,106
<u>Net income per share</u>				
-Basic	<b>0.17</b>	0.14	<b>0.28</b>	0.23
-Diluted	<b>0.16</b>	0.13	<b>0.27</b>	0.22
<u>Common shares outstanding (millions)</u>				
-Basic	<b>22.8</b>	22.6	<b>22.8</b>	22.6
-Diluted	<b>23.0</b>	22.7	<b>23.0</b>	22.7

Net income increased 23.5% over the second quarter 2013 reflecting the positive benefit of the Flexible Products automotive acquisition in October 2013. Gross margin for the quarter increased from 13.6% to 15.7% reflecting an improvement in product mix and the benefit of various operating improvements. The compounding business continues to see weakness in the mining industry; however, we are seeing a strengthening in the tire industry. Raw material prices are expected to be stable going forward. The Flexible Products automotive business continues to benefit from a strong US auto market and expects this to continue throughout 2014.

Engineered Products which includes Defense, is down compared to prior year due to an overall weakness in the defense industry; however, new product development in the defense products group continues to progress well.

New markets where we have experienced recent success, such as oil and gas, continue to perform well and we see growth opportunities continuing into the second half of 2014. We continue to aggressively pursue options to accelerate growth both organically and through additional strategic acquisitions.

AirBoss of America Corp. is a group of complementary businesses using compounding technology and engineering expertise to create value for its customers. With a capacity to supply over 250 million pounds of rubber annually, AirBoss Rubber Compounding is one of North America's largest custom rubber compounding companies. AirBoss Engineered Products is a world leader in the supply of life saving products for the military and essential calandered, extruded and molded products for a broad range of applications. AirBoss Flexible Products is a leading supplier of innovative anti-vibration solutions to the North American automotive market. The Corporation's shares trade on the TSX under the symbol BOS. Visit [www.airbossofamerica.com](http://www.airbossofamerica.com).

Contact Lisa Swartzman, Executive Vice President Corporate Affairs or Wendy Ford, CFO (905) 751-1188

A conference call to discuss the quarterly results is scheduled for 9:00 a.m. EDT Tuesday August 12, 2014. Please follow the link on our website or at [www.marketwired.com](http://www.marketwired.com) under webcasts or dial in to the following numbers: 416-340-2216 or Toll Free: 1-866-223-7781. Direct Replay Access number: 1-800-408-3053.

**Note 1:**

(\$ thousands)	Three months ended		Six months ended	
	June 30 2014	2013	June 30 2014	2013
Net income	3,780	3,060	6,261	5,106
Finance costs	625	202	1,205	394
Depreciation and amortization of intangible assets	2,245	1,540	4,320	2,971
Income tax expense	1,209	1,216	2,341	1,861
<b>EBITDA</b>	<b>7,859</b>	<b>6,018</b>	<b>14,127</b>	<b>10,332</b>

**AIRBOSS FORWARD LOOKING STATEMENT DISCLAIMER**

*Certain statements contained or incorporated by reference 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, and can generally be identified by words such as "will", "may", "could" "expects", "believes", "anticipates", "forecasts", "plans", "intends" or similar expressions. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events and performance.*

*Forward-looking statements are necessarily based upon a number of opinions, 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 risks, uncertainties and contingencies. AirBoss cautions that such forward-looking statements involve known and unknown contingencies, 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: impact of general economic conditions; its dependence on key customers; cyclical trends in the tire and automotive, construction, mining and retail industries; sufficient availability of raw materials at economical costs; weather conditions affecting raw materials, production and sales; AirBoss' ability to maintain existing customers or develop new customers in light of increased competition; changes in accounting policies and methods, including uncertainties associated with critical accounting assumptions and estimates; changes in the value of the Canadian dollar relative to the US dollar; changes in tax laws and potential litigation; ability to obtain financing on acceptable terms; environmental damage caused by it and non-compliance with environmental laws and regulations; potential product liability and warranty claims and equipment malfunction. This list is not exhaustive of the factors that may affect any of AirBoss' forward-looking statements.*

*All of the forward-looking information in this press release is expressly qualified by these cautionary 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. Forward-looking information contained herein is made as of the date of this press release and, whether as a result of new information, future events or otherwise, AirBoss disclaims any intent or obligation to update publicly these forward-looking statements except as required by applicable laws. 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 2013 Annual Report to Shareholders under the heading "Risk Factors".*