



NEWS RELEASE

March 19, 2014- For Immediate Release

**AIRBOSS ANNOUNCES 2013 RESULTS**

**2013 Highlights:**

- Acquired Flexible Products, an automotive anti-vibration rubber parts manufacturer
- Gross margin increases from 10.5% to 12.1%
- Paid dividends of CAD \$0.20 per share
- Compounding impacted by weakness in mining market.

**AirBoss of America Corp. (“AirBoss”) announces the following results:**

<b>(In thousands of US dollars, except shares and per share amounts)</b>	<b>Three months ended December 31</b>		<b>Twelve months ended December 31</b>	
	<b>2013</b>	2012	<b>2013</b>	2012
Net Sales	70,267	54,114	236,325	248,698
Gross margin	7,980	6,260	28,706	26,061
Earnings before interest, tax and amortization from operations (EBITDA) (Note 1)	2,370	4,069	16,627	16,302
Interest expense	590	231	1,196	1,019
Net income	(779)	1,755	6,351	7,170
<b>Net income per share</b>				
-Basic	(0.03)	0.08	0.28	0.31
-Diluted	(0.03)	0.08	0.28	0.31
<b>Net cash provided by operating activities</b>	23,007	11,281	32,025	10,855
<b>Common shares outstanding (millions)</b>				
-Basic	22.7	22.8	22.7	23.0
-Diluted	22.9	23.0	22.8	23.2

AirBoss successfully completed the acquisition of Flexible Products during the quarter. The acquisition of Flexible Products contributed \$0.5 million to net income.

The full benefit of the acquisition was not realized in the quarter as the contribution to earnings was overshadowed by transaction costs and an increase in stock appreciation rights expense. Generally accepted accounting principles (GAAP) requires the Company to expense

transaction costs; \$2.0 million of transaction costs were expensed in the period. The rise in AirBoss' stock price triggered an increase in stock appreciation rights liabilities of \$0.8 million. Finance costs increased by \$0.3 million from financing the acquisition of Flexible.

Net sales in the fourth quarter of 2013 increased by \$22.4 million sales for automotive products but was partially offset by \$6.4 million lower sales of Rubber Compounding; \$1.8 million higher sales of Industrial products offset losses in Defense product sales.

Rubber Compounding sales will continue to be negatively impacted in 2014 due to weakness in the mining market, however, tire, automotive and other markets are showing signs of resistance. Defense Product sales are expected to decrease additionally due to US DoD budget constraints.

As we enter 2014, we have established focus areas to drive AirBoss' performance initiatives on both the cost and revenue side. Our goal is to improve our operating margins through more efficient business processes, leveraging manufacturing resources and strategic growth.

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. AirBoss-Defense is a world leader in rubber chem-bio protective wear. 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).

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A conference call to discuss the year end results is scheduled for 9:00 am EDT, March 20, 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: 416-340-8530 or Toll Free: 1-800-766-6630. Direct Replay Access number: 1-800-408-3053.

#### 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 December 31		Twelve months ended December 31	
	2013	2012	2013	2012
Net income	(779)	1,755	6,351	7,170
Interest expense	590	231	1,196	1,019
Amortization	2,161	1,635	6,599	5,783
Provision for income taxes	398	448	2,481	2,330
EBITDA	2,370	4,069	16,627	16,302

#### 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".*