AIRBOSS OF AMERICA CORP.

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NEWS RELEASE **November 7, 2018**

AIRBOSS ANNOUNCES 3rd QUARTER 2018 RESULTS AND DIVIDEND

($US except where otherwise noted)

Highlights:

- AirBoss Defense, the defense products line of Engineered Products, was awarded four contracts expected to be worth up to an aggregate amount of $122.0 million
- Quarterly dividend paid of C$0.07 per common share
- Basic and diluted earnings per share of $0.06 per common share

	Three Months ended September 30		Nine Months ended September 30	
(In thousands of US dollars)	**2018**	2017	**2018**	2017
Net Sales	**77,773**	71,837	**240,119**	215,641
Gross profit	**9,562**	10,094	**34,685**	32,958
EBITDA(1)	**5,350**	6,376	**19,943**	20,807
Net income	**1,347**	2,804	**7,205**	8,860
(In US dollars, except shares)				
Net income per share (EPS)				
-Basic	**0.06**	0.12	**0.31**	0.38
-Diluted	**0.06**	0.12	**0.31**	0.38
Common shares outstanding (millions)*	**23.4**	23.1	**23.4**	23.1
**at November 7, 2018*				

Dividend

The Board of Directors of the Company has approved a quarterly dividend of CAD $0.07 per common share, to be paid on January 15, 2019 to shareholders of record at December 28, 2018.

Consolidated Results

Consolidated net sales in the quarter increased by 8.3% to $77,773 compared to the third quarter of 2017, and year-to-date net sales were up by 11.4% to $240,119 over the same period in 2017. Consolidated gross profit for the quarter decreased by 5.3% from the same period in 2017 and increased by 5.2% year-to-date. Gross profit as a percentage of sales for the quarter and year-to-date decreased by 180 basis points to 12.3% and 90 basis points to 14.4%, respectively, primarily as a result of lower net sales and higher input costs in the automotive business within the Engineered Products segment, particularly with respect to rubber and steel, as a result of the tariffs introduced in the United States. EBITDA in the third quarter declined by $1,026 compared to Q3 2017, and year-to-date EBITDA declined by $864 compared to 2017.

With over $13.6 million in cash and cash equivalents, $60 million in undrawn availability under its credit facilities and a net debt to TTM EBITDA ratio of 1.95x, the Company enters the last quarter of 2018 in strong financial condition.

Segment Results

At Rubber Solutions, net sales increased by 20.8% to $37,193 in the third quarter and by 16.5% to $109,680 year-to-date, from the comparable periods in 2017. The increases were driven by an increase of approximately 2.6% in raw material costs in the quarter and 12.7% year-to-date that resulted in price increases to customers and an overall increase in volume (measured in pounds shipped) of approximately 25.7% in the quarter and 15.2% year-to-date. The increase in net sales for these periods was reflected across the majority of sectors, with particular strength in the conveyor belt, track and infrastructure sectors for the quarter and the conveyor belt, mining and off-the-road ("OTR") sectors year-to-date, partly offset by softness in the third-party automotive and chemical sectors year-to-date.

Tolling volume increased by 139.1% in the third quarter and by 119.6% year-to-date, from the comparable periods in 2017. In both periods, the increase was in both niche and conventional tolling applications. Non-tolling volume for the third quarter of 2018 increased by 11.8% and year-to-date increased by 1.1%, compared to the same periods in 2017.

Gross profit at Rubber Solutions for the third quarter increased by 54.1% to $5,110, compared to the same period in 2017, and by 11.9% to $16,298 year-to-date. The increase in gross profit in the third quarter and year-to-date was principally due to higher volume. Year-to-date, higher raw material costs, higher labour costs as a result of provincial changes in the Ontario Employment Standards Act, increased maintenance and freight costs, combined with higher training costs, reduced gross profit. As a percentage of net sales, gross profit in the third quarter was 13.7%, up from 10.8% in the comparable period in 2017, and year-to-date was 14.9%, down from 15.5% in 2017.

At Engineered Products, net sales for the third quarter decreased by 1.1%, to $40,580 compared to the same period in 2017 and increased by 7.4% to $130,439, year-to-date. For both the three and nine month periods ended September 30, 2018, net sales increased in the defense business and were down in the automotive business from the comparable periods in 2017. In the automotive business, the decreases on a comparable basis for both periods were primarily in muffler hangers, spring isolators, dampers and boots and were partially offset by increases in bushings and induction bonding applications. In the defense business, for both periods, the increases were across most major product lines, and in particular in filters, powered air purifying respirators ("PAPRs"), overboots, shelters and masks, partly offset by lower demand in the gloves product line.

Gross profit in the Engineered Products segment decreased by 34.3% for the quarter and was essentially flat year-to-date. As a percentage of net sales, gross profit decreased from 16.5% to 11.0% for the quarter and from 15.1% to 14.1% year-to-date. For both periods, the decreases were due to the lower net sales in the Engineered Products' automotive business, as a result of lower net sales and higher input costs, which more than offset the higher gross profit in the defense business as a result of increased net sales.

Outlook

The Company is beginning to see improvements from the implementation of the AirBoss operating system, particularly in the Rubber Solutions segment. Scaling and increasing the pace of these improvements remains a high priority, as the business continues to experience volatility with respect to raw material pricing and higher freight and other input costs. Notwithstanding the recent United States-Mexico-Canada Agreement ("USMCA") there is continued uncertainty in global trading relationships resulting from the current tariff environment and the corresponding impact on some of our customers' confidence in future demand. Despite these headwinds, the current pipeline remains solid and broad-based across our business segments and among the sectors we serve. The recently announced awards at AirBoss Defense, the defense products line of the Company's Engineered Products segment, are particularly encouraging.

In the Rubber Solutions segment, operational improvement initiatives have started to result in meaningful gains, the pipeline of business is robust and the Company expects continued strong results in the fourth quarter of 2018. In the Engineered Products' automotive business, the implementation of the operational and commercial initiatives is continuing and expected to lead to improved results in 2019. The defense business is expected to continue performing strongly for the remainder of 2018 and beyond, anchored by the four previously announced contracts as well as securing additional awards for the future, although there is some uncertainty as to the timing and size of orders under existing contracts and new tenders.

The Company is encouraged by the operational improvements achieved to date, though there remains much work to be done. With its healthy balance sheet and revamped leadership team, the Company maintains a strong position to serve its customers and take advantage of growth opportunities.

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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 process approximately 400 million turn pounds of rubber annually, AirBoss Rubber Solutions is one of North America's largest custom rubber compounding companies and a leading supplier of essential calendered and extruded products for a broad range of applications. AirBoss Engineered Products is a world leader in the supply of life saving products for the military and a leading supplier of innovative anti-vibration solutions to the North American automotive market. The Company's shares trade on the TSX under the symbol BOS. Visit www.airbossofamerica.com.

Note (1): Non – IFRS Financial Measures: *EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to a similar measure presented by other issuers. This measure is neither required by, nor calculated in accordance with IFRS, and therefore is considered a Non-IFRS Financial Measure. 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, finance working capital and capital expenditures and pay dividends. It should not be considered as an alternative to, or more meaningful than net income (or any other IFRS financial measure) as an indicator of the Company's performance. Because EBITDA excludes some, but not all, items that affect net income, the EBITDA presented by the Company may not be comparable to similarly titled measures of other companies. A reconciliation of EBITDA to net income is presented below.*

	Three months ended September 30		**Nine months ended September 30**	
In thousands of US dollars	**2018**	2017	**2018**	2017
Net income	**1,347**	2,804	**7,205**	8,860
Finance costs	**743**	582	**1,913**	2,095
Depreciation and amortization	**2,697**	2,643	**8,238**	8,036
Income tax expense	**563**	347	**2,587**	1,816
EBITDA	**5,350**	6,376	**19,943**	20,807

AIRBOSS FORWARD LOOKING INFORMATION 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 information" or "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.

Statements containing forward-looking information 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 information involves 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 the forward-looking information. Numerous factors could cause actual results to differ materially from those in the forward-looking information, including without limitation: impact of general economic conditions; 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; AirBoss' ability to successfully integrate acquisitions of other businesses and/or companies or to realize on the anticipated benefits thereof, 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 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 information.

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 information. All subsequent written and oral forward-looking information 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 this forward-looking information except as required by applicable laws. Risks and uncertainties about AirBoss' business are more fully discussed under the heading "Risk Factors" in our most recent Annual Information Form and are otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR at www.sedar.com.