

NEWS

For immediate release

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AAR TO SUPPORT UNITED KINGDOM'S ROYAL AIR FORCE E-3D AWACS PROGRAM

WOOD DALE, ILLINOIS, (August 5, 2004) — AAR Defense Systems and Logistics, an operating unit of AAR Parts Trading, Inc. was selected by Northrop Grumman Corporation as one of its sub-contractors to support the United Kingdom's Royal Air Force fleet of E-3D Sentry Airborne Warning and Control System (AWACS) aircraft. AAR Defense Systems and Logistics will manage supply chain services including parts procurement, distribution and repair.

Northrop Grumman is the preferred bidder to provide aircraft maintenance and design engineering support services for the United Kingdom's AWACS program. Northrop Grumman selected AAR for its demonstrated ability to provide end-to-end supply chain management services that help maximize aircraft availability and reduce ownership costs of commercial and military aircraft.

"We are very pleased with our selection to provide supply chain management services for the Royal Air Force's E-3D Sentry fleet," said David P. Storch, President and CEO of AAR CORP. "We have a strategic working relationship with Northrop Grumman and expect that our experience providing mission-critical parts and inventory support will contribute significantly to the effectiveness of this important program."

AAR Defense Systems and Logistics currently works with Northrop Grumman to provide supply chain management services to support the U.S. Air Force Joint STARS program and earned Northrop Grumman's Operation Enduring Freedom Award for 100 percent on-time support of 254 successful JSTARS deployments.

AAR is a leading provider of products and value-added services to the worldwide aerospace/aviation industry. Products and services include proprietary inventory management and logistic support services; maintenance, repair and overhaul of aircraft and aircraft components; engine and aircraft sales and leasing; and manufacturing of aircraft parts and mobility systems.



Headquartered in Wood Dale, Illinois, AAR serves commercial and government aircraft fleet operators and independent service customers throughout the world. Further information can be found at www.aarcorp.com.

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This press release contains certain statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on beliefs of Company management, as well as assumptions and estimates based on information currently available to the Company, and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, including those factors discussed under Item 7, entitled "Factors Which May Affect Future Results", included in the Company's May 31, 2004 Form 10-K. Should one or more of these risks or uncertainties materialize adversely, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described. These events and uncertainties are difficult or impossible to predict accurately and many are beyond the Company's control. The Company assumes no obligation to publicly release the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. For additional information, see the comments included in AAR's filings with the Securities and Exchange Commission.