

NEWS

For immediate release

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BAE SYSTEMS SELECTS AAR FOR MILITARY SHELTERS

WOOD DALE, ILLINOIS (October 28, 2008) — AAR (NYSE: AIR) announced today that it has received an order from BAE Systems to manufacture mobile shelters for the U.S. Army's Family of Medium Tactical Vehicles (FMTV) program. The one-year agreement has a one-year renewal option with a combined total value of \$115 million. Work is scheduled to begin November 2008.

The AAR shelters include an expansible van for a 5-ton truck and a non-expansible shop van for a 2.5-ton truck that are equipped with heaters, air conditioners and basic electrical and lighting systems. The shelters are used as maintenance shops, parts warehouses, command and control centers, and mobile offices to support and sustain operations in the field.

"We are proud to be selected by BAE Systems to provide mobility products that are now an integral part of the U.S. Army's ground operations," said David P. Storch, Chairman and Chief Executive Officer of AAR CORP. "AAR shelters play an important role in the Army's ongoing efforts to execute and support ground activity, improve mobility and employ a more flexible deployment strategy."

The shelters will be built by AAR's Mobility Systems division, which designs, builds, integrates and supports rapid deployment equipment, expeditionary systems and command and control systems for defense customers and prime contractors.

BAE Systems' Mobility and Protection Systems (M&PS) produces the FMTV at its facility in Sealy Texas. The FMTV is the Army's main medium tactical in the Army's 2.5- and 5-ton cargo vehicle class. More than 40,000 FMTVs have been produced in 21 variants during the vehicle's 18-year production run.

About AAR

AAR is a leading provider of products and value-added services to the worldwide aerospace and defense industry. With facilities and sales locations around the world, AAR uses its close-to-the-customer business model to serve aviation and defense customers through four operating segments: Aviation Supply Chain; Maintenance, Repair and Overhaul; Structures and Systems; and Aircraft Sales and Leasing. More information can be found at www.aarcorp.com.



About BAE Systems

BAE Systems is the premier global defense and aerospace company delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, information technology solutions and customer support services. With approximately 100,000 employees worldwide, BAE Systems' sales exceeded £15.7 billion (US \$31.4 billion) in 2007.

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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 1A, entitled "Risk Factors", included in the Company's May 31, 2008 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 update 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.

