

NEWS

For immediate release

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AAR RECEIVES PALLET REPAIR CONTRACT VALUED AT UP TO \$311 MILLION

WOOD DALE, ILLINOIS (September 18, 2008) — AAR (NYSE: AIR) announced today that it has received a contract from the U.S. Air Force for the maintenance and overhaul of air cargo pallets, valued at up to \$311 million over the next five years. Two delivery orders with a combined value of approximately \$36 million have already been received. Work is scheduled to begin in the second quarter of the Company's current fiscal year.

Under the terms of the agreement, AAR will repair and restore pallets to like-new condition, offering the Air Force a cost-effective means to extend the life of its existing inventory. The work will be performed 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.

"AAR takes great pride in providing our defense customers with products and services that help them operate more efficiently and contribute to the success of their missions," said David P. Storch, Chairman and Chief Executive Officer of AAR CORP. "This contract marks our 45th year of providing new and remanufactured air cargo pallets to the U.S. Air Force."

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.aacorp.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 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.