

NEWS

For immediate release

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AAR ANNOUNCES JOINT VENTURE WITH AIROD

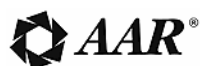
WOOD DALE, ILLINOIS, (January 24, 2005) — AAR (NYSE: AIR) today announced that it has entered into a joint venture with Malaysian aircraft maintenance provider, AIROD, to strengthen AAR's presence in Asia and better serve commercial airline customers.

At a signing ceremony in Miami, Florida on Sunday, January 23, AAR International, Inc., a subsidiary of AAR CORP., and AIROD formally entered into a joint venture to establish a landing gear repair and overhaul facility in Malaysia, expected to be operational by mid 2005. In attendance at the ceremony were Tan Sri Ahmad Johan, President of AIROD, and The Honorable Dato' Sri Chan Kong Choy, Malaysia's Minister of Transport.

"We're pleased to formally establish this joint venture with AIROD and honored that Transport Minister Dato' Sri Chan Kong Choy joined us for this momentous occasion," said David P. Storch President and Chief Executive Officer of AAR. "The Asian commercial aviation marketplace represents a tremendous growth opportunity for AAR with its rising economy, established infrastructure and talented labor pool. We look forward to expanding our presence and working more closely with our partners and customers in this region."

This joint venture is of strategic importance to the development of the aviation and aerospace industry in Malaysia, which has adopted many key initiatives to transform Malaysia into a regional aerospace center by 2015. The Asia Pacific region is experiencing growth in both passenger and cargo traffic and is expected to continue to grow between 6 and 7 percent annually for the next few years, generating significant opportunities for additional aviation-related services and MRO activities.

AAR currently operates an FAA, JAA and ISO 9001 certified landing gear facility in Miami, Florida that performs landing gear repairs and overhauls for Boeing, Airbus and a variety of other commercial and regional aircraft.



AAR is a leading provider of products and value-added services to the worldwide aviation/aerospace industry. Products and services include customized inventory management and logistics programs; maintenance, repair and overhaul of aircraft, aircraft components and engine components; engine and aircraft sales and leasing; and the manufacture of cargo systems, composite structures and mobility systems. Headquartered in Wood Dale, Illinois, AAR serves commercial and government aircraft fleet operators, original equipment manufacturers and independent service customers throughout the world. Further information can be found at www.aarcorp.com.

AIROD Sdn Bhd, a wholly-owned subsidiary of National Aerospace & Defense Industries (NADI), performs aircraft maintenance and overhauls for military and commercial aviation fleet operators. Airod also operates a landing gear repair facility in Malaysia that services the Royal Malaysian Air Force.

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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.

