

# NEWS

## For immediate release

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### **AAR CHOSEN TO PROVIDE CARGO SYSTEMS FOR NEW C-27J MILITARY TRANSPORT AIRCRAFT**

WOOD DALE, ILLINOIS (July 20, 2004) — AAR CORP. announced today that AAR Cargo Systems was selected by Alenia Aeronautica, a Finmeccanica Company, to supply cargo handling systems and tow plate systems for the C-27J Medium Tactical Transport Aircraft, jointly developed and produced by Alenia Aeronautica and Lockheed Martin.

AAR's cargo system design includes a heavy-duty locking system to secure pallets and platforms in place during flight. The integrated tow plate system allows for precise parachute extractions at both high and low altitudes. The new C-27J cargo system is designed to accommodate the same pallet and platform configurations currently used on the C-130 Aircraft.

"We are excited to be a part of the development of the new C-27J," said Dallas Mayfield, General Manager of AAR Cargo Systems. "Our experience in the design and manufacture of state-of-the-art cargo systems, combined with our company's commitment to quality should contribute significantly to the flexibility and reliability of the C-27J."

AAR Cargo Systems was selected after providing Alenia Aeronautica with three prototype systems that were used for evaluation on the C-27J. Under the terms of the agreement AAR Cargo Systems will design and manufacture cargo handling systems and tow plate systems for 16 new C-27J aircraft. Initial customers would include the Aeronautica Militare Italiana (AMI) and the Hellenic Air Force.

AAR Cargo Systems, an operating unit of AAR Manufacturing, Inc., is an industry leader in the development, design and manufacture of specialized cargo handling systems for both the military and commercial markets. Based in Livonia, Michigan, AAR Cargo Systems has been providing the C-130 "DASH 4A" cargo systems to Lockheed Martin since 1968 and has delivered more than 1,200 of the specially designed cargo handling systems for several models of the C-130.



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](http://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, 2003 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.