

NEWS

For immediate release

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U.S. ARMY SELECTS AAR FOR CH-47 CARGO SYSTEMS

WOOD DALE, ILLINOIS (August 14, 2007) — AAR CORP. (NYSE: AIR) announced today that it has received a contract from the U.S. Army to provide 25 cargo handling systems for CH-47 (Chinook) helicopters. The systems will be manufactured by AAR's Cargo Systems division in Goldsboro, North Carolina starting in September 2007, with deliveries scheduled to be completed by September 2008.

The CH-47 Chinook is a twin engine, tandem rotor helicopter used to transport ground forces, supplies, ammunition and other battle-critical cargo in support of worldwide combat and contingency operations. AAR is the Original Equipment Manufacturer (OEM) of the current CH-47 cargo system which has been in service since 1982.

"The Chinook helicopter is the workhorse of the U.S. Army aircraft fleet and operates in a variety of harsh environments that are very demanding on a cargo system," commented Timothy J. Romenesko, AAR's President and Chief Operating Officer. "The durability and dependability of these systems is shown by their performance and reliability during 25 years of rigorous service and our selection by the U.S. Army."

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.

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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, 2007 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.

