



NEWS

For immediate release

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AAR AND GAMCO SIGN LOI FOR F-16 COMPONENT SUPPORT

PARIS, FRANCE, June 15, 2005 — AAR (NYSE: AIR) and Gulf Aircraft Maintenance Company (GAMCO) announced today at the Paris Air Show that AAR's operating unit, AAR International, Inc., has signed a Letter of Intent (LOI) with GAMCO to explore the development of a component repair facility capable of supporting F-16 Block 60 aircraft in the United Arab Emirates. AAR partnered with Reef Aviation Group on the agreement, under which AAR and GAMCO will conduct initial evaluations for an F-16 component repair depot located at GAMCO's Abu Dhabi facility.

"We look forward to partnering with GAMCO on this initial phase of the program," said James J. Clark, Group Vice President for AAR's Aviation Supply Chain Group. "Working together, we'll conduct the evaluations needed to provide component repair services designed around the specific requirements of the F-16."

The services offered through the AAR/GAMCO component repair facility will be geared toward improving on-wing reliability through comprehensive repair capabilities, preventive maintenance procedures and rapid project completion intended to reduce overall operating costs and improve fleet productivity. The move positions AAR to better serve customers around the world and helps to strengthen AAR's presence in the Middle East.

Founded in 1987, GAMCO provides high-quality, cost-effective maintenance services for a wide range of aircraft, components and engines. GAMCO customers include operators from the Gulf region and other parts of the Middle East, as well as from Europe, Africa, North America and Asia. Located on one of the world's busiest routes for passenger and cargo aircraft, GAMCO has become a natural choice for operators throughout the world. More information can be found at www.gamco.co.ae.

AAR provides products and value-added services to the worldwide aviation/aerospace industry. Headquartered in Wood Dale, Illinois, AAR serves commercial and government aircraft fleet operators, original equipment manufacturers and independent service customers. Further 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 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.