

NEWS

For immediate release

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AAR TO PROVIDE END-TO-END SUPPLY CHAIN SOLUTION FOR MESA AIR GROUP

WOOD DALE, ILLINOIS, August 24, 2005 - AAR CORP. (NYSE: AIR) today announced a 10-year agreement to provide supply chain services for Mesa Air Group, Inc.'s, CRJ 700/900 and ERJ 145 regional jets. As the exclusive provider of supply chain services for these aircraft, AAR will provide a fully integrated, end-to-end solution through its Aviation Supply Chain group. The agreement is valued at nearly \$200 million over the ten-year term.

The comprehensive supply chain program will combine AAR's supply, repair, distribution, information technology, and logistics services to help Mesa operate their regional fleet cost-effectively and safely. AAR will be responsible for handling all aspects of the supply chain to ensure the right parts are available at the right location at the right time.

"This agreement builds upon the excellent relationship we've established with Mesa through our current supply chain and MRO programs," said David P. Storch, President and CEO of AAR. "By combining our asset management and component services skills we're able to provide an innovative and fully-integrated solution to ensure the highest levels of availability, quality and service."

As the worldwide fleet of regional jets grows and matures, the maintenance and support requirements are expected to increase significantly. AAR is well positioned to meet these requirements with a broad range of services, including logistics, component repair, airframe maintenance and landing gear overhauls, offered both as stand-alone services and integrated as complete nose-to-tail support programs.

Mesa Air Group, Inc. (NASDAQ: MESA) currently operates 179 aircraft with over 1,100 daily system departures to over 168 cities, covering 43 states, the District of Columbia, Canada, and Mexico. Mesa operates as America West Express, US Airways Express

and United Express under contractual agreement with America West, US Airways and United Airlines, respectively, and independently as Mesa Airlines. The Company, which was founded by Larry and Janie Risley in New Mexico in 1982, has approximately 5,000 employees. Mesa is a member of the Regional Airline Association and Regional Aviation Partners. The Company was named 2005 Regional Airline of the Year by Air Transport World Magazine.

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.

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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, 2005 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.