

NEWS

For immediate release

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AAR ACQUIRES REEBAIRE AIRCRAFT, INC.

WOOD DALE, ILLINOIS (January 16, 2007) — AAR (NYSE: AIR) today announced that it has acquired substantially all of the assets of Reebaire Aircraft, Inc. (Reebaire), a regional aircraft MRO located in Hot Springs, Arkansas. The newly acquired business will operate under the name AAR Aircraft Services — Hot Springs.

The acquisition is part of the Company's strategy to expand its MRO business and its support of regional aircraft operators. Year-over-year, AAR's sales to regional airline customers have increased 48 percent.

"The Reebaire acquisition doubles the size of our regional MRO capacity and strengthens the Company's position in this fast-growing market," said David P. Storch, Chairman, President and Chief Executive Officer of AAR CORP. "This business will report into our Oklahoma City operation, which has a proven track record for producing excellent results. Additionally, we expect strong synergies with our supply chain business."

Maintenance and support requirements for regional aircraft are expected to increase as the worldwide fleet continues to grow and mature. AAR is well positioned to meet these requirements with a broad range of cost-effective services that include logistics; component repair; overhaul of landing gear, wheels and brakes; nose-to-tail aircraft maintenance and engineering modifications.

AAR is a leading provider of products and value-added services to the worldwide aviation/aerospace industry. With facilities and sales locations around the world, AAR uses its close-to-the-customer business model to serve airline 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, 2006 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.

