

NEWS

For immediate release

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AAR SELECTED BY SHANGHAI AIRLINES **FOR 767 LANDING GEAR MRO**

SINGAPORE, (February 21, 2006) — AAR (NYSE: AIR) announced today at Asian Aerospace 2006 that it has been selected to perform maintenance, repair and overhaul of landing gear for Shanghai Airlines' fleet of 767-300 aircraft. The maintenance will be performed at AAR Landing Gear Services' FAA, EASA, CAAP and ISO 9001 certified facility in Miami, Florida.

AAR will provide Shanghai Airlines with maintenance, overhaul and exchange services, as well as provide access to AAR's inventory of rotatable landing gear and landing gear components. AAR Landing Gear Services is a self-contained, full-service aircraft landing gear overhaul facility that provides maintenance, repair, overhaul and exchange services on virtually every type of major commercial, regional and military aircraft in use today.

"This new agreement with Shanghai Airlines is a fine example of how we are extending our reach to more customers in the Asia Pacific region," said Rahul Shah, Managing Director, Asia Pacific Operations for AAR. "Customers in the Asia Pacific region and around the world are focused on controlling expenses and AAR is helping them reduce costs while maintaining the highest standards for quality, safety and airworthiness."

In other news, AAR Landing Gear Services Sdn. Bhd., a joint venture between AAR International, Inc. and Malaysian aircraft maintenance provider, AIROD Sdn. Bhd., recently received certification from the Malaysian Department of Civil Aviation (DCA) and passed its Federal Aviation Administration (FAA) certification audit. Achieving these regulatory milestones enables the business to commence operations and begin serving customers in the Asia Pacific region from the new Malaysian-based landing gear MRO facility.

About AAR

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.

About AAR Landing Gear Services

AAR Landing Gear Services, an operating unit of AAR, specializes in the maintenance, repair, overhaul and exchange of landing gear for commercial and regional aircraft. AAR's workmanship is backed by engineering and airworthiness teams that carry out stringent quality inspections on procedures that include disassembly, assembly, painting, plating, machining and nondestructive testing.

About Shanghai Airlines

Shanghai Airlines Co., Ltd. (SAL) is a commercial airline company based in Shanghai, the People's Republic of China. SAL operates a fleet of 38 aircraft and offers domestic flight services to over 100 destinations throughout the country and international flight services to Thailand, Vietnam, Japan, South Korea and Russia.

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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.

