

NEWS

For immediate release

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AAR AWARDED CONTRACT TO PROVIDE PALLETS FOR THE U.S. AIR FORCE

WOOD DALE, ILLINOIS (June 9, 2005) — AAR (NYSE: AIR) announced today that it has been selected to provide the United States Air Force (USAF) with an estimated 10,000 new 463L Pallets and the repairs of 6,000 Pallets currently owned by the USAF. Work will be performed by AAR's Mobility Systems division and is scheduled to begin in June 2005 and be completed by June 2006. The five-year contract includes an initial one-year term, with an estimated value of \$23.7 million and four one-year extension options.

"We are proud to continue our support of the U.S. Air Force through this important program," said David P. Storch, President and Chief Executive Officer of AAR. "We understand the mission-critical role these products play in keeping troops and supplies moving, and we are committed to providing our military customers with the highest levels of quality, service and reliability."

The 463L Pallet is the standard pallet used by the USAF to transport concentrated cargo and is designed to be used with the dual-rail cargo systems on C-130, C-5 and C-141 military transport aircraft. AAR has been the primary supplier of 463L Pallets to the USAF since 1963.

AAR Mobility Systems, an operating division of AAR, manufactures containers, shelters and pallets for military customers and prime contractors. AAR is a leading provider of products and value-added services to the worldwide aviation/aerospace industry. Products and services include customized inventory management and logistics programs; maintenance, repair and overhaul of aircraft and aircraft components; engine and aircraft sales and leasing; and the manufacture of cargo systems, composite structures and mobility systems. AAR leverages its 14 FAA certified repair stations to offer customized solutions that seamlessly integrate with customers' existing operations. Headquartered in Wood Dale, Illinois, AAR serves commercial and government aircraft fleet operators, original equipment manufacturers and independent service customers throughout the world. 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.

