

FIRST AVIATION ANNOUNCES RECORD
FOURTH QUARTER AND FULL YEAR NET SALES

WESTPORT, CONNECTICUT, April, 17 2002 – First Aviation Services Inc. (NASDAQ: FAVS), a leading provider of services to the aerospace industry worldwide, today announced record fourth quarter net sales of \$25.6 million. For the full year ended January 31, 2002 the Company reported record net sales of \$105.7 million, the first time the Company has had revenues over \$100 million. Earnings from continuing operations for the quarter and year ended January 31, 2002 were \$0.09 and \$0.04 per share, respectively.

For the quarter ended January 31, 2002, net sales increased 2.6% from \$25.0 million reported for the fourth quarter of the prior year. Gross profit for the quarter increased 5.2% to \$5.4 million from \$5.1 million reported in the prior year. Operating income, before corporate expenses, increased approximately 660% to \$0.6 million from \$0.1 million in the prior year. Operating income for the quarter includes charges totaling approximately \$0.3 million to record reserves relating to inventory and to change the Company's estimate of recording bad debts to a more conservative methodology. The reserve actions were taken as part of the Company's normal review procedures.

Operating income from continuing operations was \$1.0 million for the quarter, compared to a net loss of \$0.9 million for the same period of the prior year. During the quarter the Company settled its litigation against Gulf Insurance Company for a payment of \$0.9 million to the Company. The settlement, net of the associated legal costs, has been shown separately as part of continuing operations. The litigation had been ongoing for several years. Net income from continuing operations for the quarter was \$0.6 million, or \$0.09 per share, compared to a net loss of \$0.5 million, or \$0.07 per share for the same period of the prior year.

The Company also recorded a net credit of approximately \$0.3 million during the quarter, or \$0.03 per share after applicable income taxes, due to the reversal of reserves recorded in prior years related to discontinued operations. Net income was \$0.12 per share for the quarter, compared to a net loss of \$0.26 per share for the same quarter of the prior year. Prior year results included a net loss aggregating to \$0.19 per share related to discontinued operations.

Said Jerry Schlesinger, President and Chief Executive Officer of Aerospace Products International (API), FAvS' principal operating subsidiary, "This was a good quarter for us. In the face of continuing weakness in our industry, which still is recovering from September 11th, and a slow economy, we had

solid growth in both revenue and gross profit. Gross profit grew at twice the rate of revenue growth and operating income for the quarter was strong. Our strong performance is the result of our quick reaction in the third quarter to the significant industry downturn, our continuing emphasis on providing third party logistics and inventory management services, and the benefits of our overall business strategies. With the growth initiatives and restructuring actions we took this past year, we should have a solid year in 2003.”

Michael Culver, President and CEO of First Aviation, said, “We are pleased with our performance for the quarter and the year. We are one of the only companies in our sector to show growth and positive operating income for the quarter. Our performance this past quarter was a reflection of the effectiveness of our management team in adjusting our cost base, and the continuing successful implementation of our strategic model. We have expanded our sources of revenue and expect to continue to do so in 2003, especially in the area of logistics services. Also, our management team did a very good job of managing our working capital over the very difficult last half of the fiscal year, generating approximately \$3.7 million of cash from operations in the fourth quarter. We are in good shape operationally and financially. We look forward to growing our businesses further and servicing new logistics customers. The industry’s interest in supply chain management is much greater today that it was twelve months ago. As the aerospace industry recovers later in 2003, we expect our base distribution business to show modest growth also.”

For the fiscal year ending January 31, 2002 net sales increased 8.4% to \$105.7 million from \$97.6 million reported for the prior fiscal year. Gross profit for the year increased 5.3% to \$22.0 million from \$20.9 million reported in the prior year. Operating income, before corporate expenses, increased 86.8% to \$2.1 million from \$1.1 million in the prior fiscal year. For the year ended January 31, 2002 the Company earned \$0.04 per share from continuing operations, compared to a net loss of \$0.08 per share for the prior year. Over the same period the Company had a net income of \$0.17 per share, compared to a net loss of \$0.24 per share in the prior year.

First Aviation, located in Westport, Connecticut is a worldwide leader in providing aerospace products and services to aircraft operators of some of the most widely used commercial and general aviation aircraft. Its operations include API, based in Memphis, Tennessee. In addition to the product lines it distributes, API offers overhaul and repair services for brakes and starter/generators, and builds custom hose assemblies. API also is a leading provider of supply chain management and customized third party logistics services. With locations in the U.S., Canada and Asia Pacific, plus partners throughout the world, API continues to be one of the fastest growing provider of aviation products and inventory management solutions in the industry.

The Company will host a conference call to discuss fourth quarter and full year results on Thursday, April 18, 2002 at 10:30 am EST. Interested parties should call 1 (800) 370-0906 before 9:50 am EST. A replay will be available for 48 hours. Please call (877) 519-4471; PIN is 3238191.

More information about First Aviation can be found on the World Wide Web at <http://www.firstaviation.com> and, <http://www.apiparts.com>.

Forward-Looking Statements

Information included in this release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical facts, but rather reflect the Company's current expectations concerning future events and results. Such forward-looking statements, including those concerning the Company's expectations, involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In evaluating such statements, as well as the future prospects of the Company, specific consideration should be given to various factors, including the Company's ability to obtain parts and components from its principal suppliers on a timely basis, domestic and international market and economic conditions, especially those currently facing the aviation industry as a whole, the impact changes in of fuel and other freight related costs, relationships with its customers, the ability to obtain and service supply chain management contracts, the ability to consummate suitable acquisitions, and other items that are beyond the Company's control and may cause actual results to differ from management's expectations.

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(See attached financial information)

First Aviation Services Inc.
Consolidated Condensed Statements of Operations
(in thousands, except share amounts)
(unaudited)

	Three Months Ended January 31,		Year Ended January 31,	
	2002	2001	2002	2001
Net Sales	\$ 25,608	\$ 24,955	\$ 105,696	\$ 97,550
Cost of Sales	20,194	19,807	83,722	76,682
Gross Profit	5,414	5,148	21,974	20,868
Selling, general and administrative expenses	4,837	5,072	19,854	19,733
Operating income before corporate expenses	577	76	2,120	1,135
Corporate expenses	559	741	2,628	2,934
Litigation (income) expense	(937)	241	(735)	501
Operating income (loss) from continuing operations	955	(906)	227	(2,300)
Net interest and other income (expenses)	(87)	200	301	1,417
Minority interest in subsidiary	(11)	(11)	(42)	(42)
Income (loss) before income taxes	857	(717)	486	(925)
(Provision) benefit for income taxes	(232)	228	(194)	349
Income (loss) from continuing operations	625	(489)	292	(576)
Loss from discontinued operations, net of benefit for income taxes of (\$710) and (\$1,100) respectively	-	(1,090)	-	(1,847)
Income (loss) from disposal of subsidiary, net of provision (benefit) for income taxes of \$175, (\$199), \$580, and (\$199), respectively	253	(386)	960	593
Net income (loss)	\$ 878	\$ (1,965)	\$ 1,252	\$ (1,830)

First Aviation Services Inc.

Consolidated Condensed Statements of Operations (continued)
(in thousands, except share amounts)
(unaudited)

	Three Months Ended January 31,		Year Ended January 31,	
	2002	2001	2002	2001
<i>Basic net income (loss) per common share:</i>				
Income (loss) from continuing operations	\$ 0.09	\$ (0.07)	\$ 0.04	\$ (0.08)
Loss from discontinued operations	-	(0.14)	-	(0.24)
Income (loss) from disposal of subsidiaries	0.03	(0.05)	0.13	0.08
Basic net income (loss) per common share	\$ 0.12	\$ (0.26)	\$ 0.17	\$ (0.24)
Shares used in computation of basic net income (loss) per common share	7,206,559	7,533,062	7,197,941	7,720,520
 <i>Net income (loss) per common share - assuming dilution:</i>				
Income (loss) from continuing operations	\$ 0.09	\$ (0.07)	\$ 0.04	\$ (0.08)
Loss from discontinued operations	-	(0.14)	-	(0.24)
Income (loss) from disposal of subsidiaries	0.03	(0.05)	0.13	0.08
Net income (loss) per common share - assuming dilution	\$ 0.12	\$ (0.26)	\$ 0.17	\$ (0.24)
Shares used in computation of basic net income (loss) per common share - assuming dilution	7,217,343	7,533,062	7,208,725	7,720,520

First Aviation Services Inc.
Consolidated Condensed Balance Sheets
(in thousands)

	January 31, 2002	January 31, 2001
	<u>(unaudited)</u>	<u>*</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 31,113	\$ 31,855
Trade receivables, net	15,396	15,860
Inventories, net	23,016	21,803
Deferred and refundable income taxes, prepaid expenses and other	<u>3,034</u>	<u>4,849</u>
Total current assets	<u>72,559</u>	<u>74,367</u>
Plant and equipment, net	4,100	4,638
Goodwill and other intangibles, net	<u>3,885</u>	<u>1,709</u>
	<u>\$ 80,544</u>	<u>\$ 80,714</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 11,464	\$ 13,496
Accrued liabilities	2,748	4,321
Income taxes payable	1,293	2,120
Minority interest	1,041	-
Revolving line of credit and current portion of obligations under capital leases	<u>180</u>	<u>11,757</u>
Total current liabilities	<u>16,726</u>	<u>31,694</u>
Revolving line of credit	14,800	-
Minority interest	-	1,041
Obligations under capital leases	-	147
Total liabilities	<u>31,526</u>	<u>32,882</u>
Stockholders' equity:		
Common stock	91	91
Additional paid-in capital	38,516	38,625
Retained earnings	20,728	19,476
Accumulated other comprehensive loss	(193)	-
Treasury stock	<u>(10,124)</u>	<u>(10,360)</u>
Total stockholders' equity	<u>49,018</u>	<u>47,832</u>
Total liabilities and stockholders' equity	<u>\$ 80,544</u>	<u>\$ 80,714</u>

*Balances were derived from the audited balance sheet as of January 31, 2001