

FIRST AVIATION ANNOUNCES FOURTH CONSECUTIVE PROFITABLE QUARTER

FOR THE FISCAL YEAR ENDED JANUARY 31, 2006

WESTPORT, CONNECTICUT, May 1, 2006 – First Aviation Services Inc. (NASDAQ: FAVS), one of the leading providers of supply chain services to the aerospace industry worldwide, today announced net earnings of \$349,000 or \$0.05 and \$1,024,000 or \$0.14 for the fourth quarter and full year ended January 31, 2006, respectively. Record revenues, of \$131.5 million for the twelve months ended January 31, 2006, increased \$7.3 million or 5.9% versus the prior year. Record gross profit of \$23.1 million for the year represents an increase of 11.2% over the year ended January 31, 2005.

Selling, general and administrative expenses were flat at \$19.9 million for the year ended January 31, 2006 compared to the prior year. For the year ended January 31, 2006, corporate expenses decreased \$521,000 to \$2.4 million.

For the three months and year ended January 31, 2006, net sales of \$33.2 million, were \$2.3 million, or 7.5% over that reported in the prior year quarter, and gross profit of \$6.2 million increased \$1.2 million, or 24.5% over the quarter ended January 31, 2005. During the fourth quarter ended January 31, 2006, the company had improved margins, and benefited from the addition of the Beechcraft product line.

Mr. Michael Culver, President and CEO of First Aviation, said: “Improvements to business processes and strategic additions to our management team, expansion of product line offerings and enhancements of services have allowed us to sustain profitability while continuing to grow the business.”

First Aviation, located in Westport, Connecticut and its principal operating subsidiary, Aerospace Products International Inc. (“API”), based in Memphis, Tennessee, is one of the leading providers of services to the aviation industry worldwide. The Company’s services consist of parts and components supply services, supply chain management services, component overhaul and repair services, and the assembly of custom hoses. With locations in the U.S., Canada and Asia Pacific, plus partners throughout the world, API continues to be one of the leading providers of aviation products, supply chain management services and technology solutions in the industry.

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

Forward-Looking Statements

Certain statements discussed in this release constitute 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. Such risks, uncertainties and other important factors include, at a minimum, the Company's ability to obtain parts and components from its principal suppliers on a timely basis, depressed domestic and international market and economic conditions, especially those currently facing the aviation industry as a whole, the impact of changes in fuel and other freight related costs, relationships with its customers, the ability of the Company's customers to meet their financial obligations to the Company, the ability to obtain and service supply chain management contracts, changes in regulations or accounting standards, the ability to consummate suitable acquisitions and expand, the loss of the use of facilities and distribution hub in Memphis, significant failure of our computer systems or networks, efforts to comply with section 404 of the Sarbanes-Oxley Act of 2002, and other items that are beyond the Company's control and may cause actual results to differ from management's expectations. In addition, specific consideration should be given to the various factors described in Item 1A, "Risk Factors", Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", and elsewhere in the Company's Annual Report on Form 10-K for the year ended January 31, 2006, and the various factors described in this release. The Company undertakes no obligation to update any forward-looking statements or cautionary factors except as required by law.

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(See attached financial information)

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

	Three months ended January 31,		Year ended January 31,	
	2006	2005	2006	2005
	(unaudited)		*	*
Net sales	\$ 33,227	\$ 30,912	\$ 131,525	\$ 124,249
Cost of sales	<u>27,014</u>	<u>25,921</u>	<u>108,474</u>	<u>103,525</u>
Gross profit	6,213	4,991	23,051	20,724
Selling, general and administrative expenses	5,173	5,279	19,933	19,973
Corporate expenses	<u>629</u>	<u>516</u>	<u>2,372</u>	<u>2,893</u>
Income (loss) from operations	411	(804)	746	(2,142)
Net interest income (expense) and other	(62)	(26)	(58)	76
Other Income	-	-	417	-
Minority interest in subsidiary	<u>-</u>	<u>(11)</u>	<u>(10)</u>	<u>(42)</u>
Income (loss) before income taxes	349	(841)	1,095	(2,108)
Provision for income taxes	<u>-</u>	<u>(15)</u>	<u>(71)</u>	<u>(121)</u>
Net income (loss)	349	(856)	1,024	(2,229)
 <i>Basic net income (loss) per share, and net income (loss) per share - assuming dilution:</i>				
Basic net income (loss) per share, and net income (loss) per share - assuming dilution	<u>\$ 0.05</u>	<u>\$ (0.12)</u>	<u>\$ 0.14</u>	<u>\$ (0.31)</u>
Weighted average shares outstanding - basic	<u>7,346,916</u>	<u>7,313,725</u>	<u>7,336,925</u>	<u>7,301,751</u>
Weighted average shares outstanding - assuming dilution	<u>7,351,132</u>	<u>7,313,725</u>	<u>7,341,007</u>	<u>7,301,751</u>

* Amounts derived from the audited statement of operations as of January 31, 2006 and 2005, respectively.

First Aviation Services Inc.
Consolidated Condensed Balance Sheets
(in thousands, except share amounts)

	January 31, 2006	January 31, 2005
	*	*
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,488	\$ 22,584
Trade receivables, net of allowance for doubtful accounts of \$596 and \$806, respectively	18,737	14,563
Inventory, net of allowance for obsolete and slow moving inventory of \$1,709 and \$1,656, respectively	38,809	24,156
Prepaid expenses and other	1,351	900
Total current assets	68,385	62,203
Plant and equipment, net	4,963	2,996
	\$ 73,348	\$ 65,199
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 15,441	\$ 10,495
Accrued compensation and related expenses, and other accrued liabilities	3,573	3,629
Notes payable	1,125	-
Income taxes payable	1,012	900
Total current liabilities	21,151	15,024
Revolving line of credit	14,500	14,500
Notes payable, less current portion	1,245	
Minority interest in subsidiary	-	1,041
Total liabilities	36,896	30,565
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized, 7,353,250 and 7,321,508 shares outstanding	91	91
Additional paid-in capital	38,799	38,318
Retained earnings	6,349	5,325
Accumulated other comprehensive income	500	374
	45,739	44,108
Less: Treasury stock, at cost	(9,287)	(9,474)
Total stockholders' equity	36,452	34,634
Total liabilities and stockholders' equity	\$ 73,348	\$ 65,199

* Balances were derived from the audited balance sheets as of January 31, 2006 and 2005, respectively.