

**FIRST AVIATION ANNOUNCES FOURTH QUARTER & FULL YEAR RESULTS FOR
THE FISCAL YEAR ENDED JANUARY 31, 2004**

WESTPORT, CONNECTICUT, May 4 2004 – First Aviation Services Inc. (NASDAQ: FAVS), one of the leading providers of supply chain services to the aerospace industry worldwide, today announced record net sales for the fourth quarter and full year ended January 31, 2004. Net income was \$94,000 or \$0.01 per share in the fourth quarter, and \$11,000 or \$0.00 per share for the full year ended January 31, 2004, compared to a net loss of \$(3.3) million or \$(0.45) per share for the quarter, and \$(5.9) million or \$(0.37) per share for the full year ended January 31, 2003.

For the three months and year ended January 31, 2004, net sales were \$27.1 million, and \$105.8 million respectively. Net sales increased in the fourth quarter by \$3.2 million, or 13.2% over that reported in the prior year, and gross profit increased \$1.0 million, or 26.8% over the prior year fourth quarter. In the fourth quarter, revenues from the general aviation and airline market groups propelled the increases due to more flight activity as a result of an improving economy. For the year ended January 31, 2004, net sales increased \$4.0 million, or 4.0% over the prior twelve month period, as a result of improvements to the general aviation and original equipment manufacturers (“OEM”) customer categories.

Mr. Michael Culver, President and CEO of First Aviation, said: “We are pleased by the increases in sales, and the determination and effort of the entire team to grow the business.”

Selling, general and administrative expenses decreased 3.5% or \$624,000 for the year ended January 31, 2004 over the prior year. This was primarily due to charges in the prior year to increase receivable reserves that did not repeat in the current year, offset by increases in legal fees, insurance costs, local property taxes and advertising expenses. For the year ended January 31, 2004, corporate expenses increased \$231,000 due principally to legal expenses related to general corporate matters, and costs associated with the unsuccessful proxy contest conducted by a shareholder for the 2003 annual meeting.

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 services the Company provides the aviation industry include the sale of aircraft parts and components, the provision of supply chain management services, overhaul and repair services for brakes and starter/generators, 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.apiparts.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, and other items that are beyond the Company's control may cause actual results to differ from management's expectations. In addition, specific consideration should be given to the various factors described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended January 31, 2004, and the various factors described in this release. The Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions, or circumstances on which the forward-looking statement is based.

#

**Contact: Robert G. Costantini
Chief Financial Officer
First Aviation Services Inc.
(203) 291-3300**

(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,	
	2004	2003	2004	2003
	(unaudited)		*	*
Net sales	\$ 27,138	\$ 23,963	\$ 105,777	\$ 101,737
Cost of sales	<u>22,390</u>	<u>20,219</u>	<u>86,241</u>	<u>83,264</u>
Gross profit	4,748	3,744	19,536	18,473
Selling, general and administrative expenses	4,165	4,798	17,032	17,656
Corporate expenses	<u>465</u>	<u>512</u>	<u>2,625</u>	<u>2,394</u>
Income (loss) from operations	118	(1,566)	(121)	(1,577)
Net interest income and other	3	75	149	206
Minority interest in subsidiary	<u>(10)</u>	<u>(11)</u>	<u>(42)</u>	<u>(42)</u>
Income (loss) before income taxes	111	(1,502)	(14)	(1,413)
Benefit (provision) for income taxes	<u>(17)</u>	<u>(1,751)</u>	<u>25</u>	<u>(1,786)</u>
Income (loss) before cumulative effect of accounting change	94	(3,253)	11	(3,199)
Cumulative effect of accounting change, net of benefit for income taxes of \$922	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,735)</u>
Net income (loss)	<u>\$ 94</u>	<u>\$ (3,253)</u>	<u>\$ 11</u>	<u>\$ (5,934)</u>
<i>Basic net income (loss) per share, and net income (loss) per share - assuming dilution:</i>				
Income before cumulative effect of accounting change	\$ 0.01	\$ (0.45)	\$0.00	\$ (0.44)
Cumulative effect of accounting change	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.38)</u>
Basic net income (loss) per share, and net income (loss) per share - assuming dilution	<u>\$ 0.01</u>	<u>\$ (0.45)</u>	<u>\$0.00</u>	<u>\$ (0.82)</u>
Weighted average shares outstanding - basic	<u>7,282,488</u>	<u>7,236,521</u>	<u>7,267,368</u>	<u>7,224,532</u>
Weighted average shares outstanding - assuming dilution	<u>7,300,567</u>	<u>N/A</u>	<u>7,281,598</u>	<u>N/A</u>

* Amounts derived from the audited statement of operations as of January 31, 2004 and 2003, respectively.

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

	January 31, 2004	January 31, 2003
	*	*
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,144	\$ 26,013
Trade receivables, net of allowance for doubtful accounts of \$1,418 and \$1,656, respectively	13,499	13,739
Inventory, net of allowance for obsolete and slow moving inventory of \$1,013 and \$997, respectively	22,344	20,617
Prepaid expenses and other	1,032	1,033
Total current assets	62,019	61,402
Plant and equipment, net	2,963	3,639
	\$ 64,982	\$ 65,041
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 9,561	\$ 10,324
Accrued compensation and related expenses, and other accrued liabilities	2,376	2,073
Income taxes payable	939	1,009
Total current liabilities	12,876	13,406
Revolving line of credit	14,500	14,500
Minority interest in subsidiary	1,041	1,041
Total liabilities	28,417	28,947
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized, 7,284,093 and 7,250,710 shares outstanding	91	91
Additional paid-in capital	38,375	38,445
Retained earnings	7,554	7,543
Accumulated other comprehensive income (loss)	238	(96)
	46,258	45,983
Less: Treasury stock, at cost	(9,693)	(9,889)
Total stockholders' equity	36,565	36,094
Total liabilities and stockholders' equity	\$ 64,982	\$ 65,041

* Balances were derived from the audited balance sheets as of January 31, 2004 and 2003, respectively.