

FIRST AVIATION ANNOUNCES RECORD SALES AND GROSS PROFITS

WESTPORT, CONNECTICUT, April 30, 2001 — First Aviation Services Inc. (NASDAQ: FAVS), a leading provider of services to the aerospace industry worldwide, today announced record revenues for the fiscal year of \$97.6 million and record gross profits for the year of \$20.9 million. The Company reported fourth quarter sales of \$25.0 million and gross profit of \$5.1 million.

Net sales increased 15.8% for the quarter ended January 31, 2001 from an adjusted \$21.5 million for the fourth quarter of the prior year. Gross profit for the quarter increased 14.1% from an adjusted \$4.5 million reported in the prior year. Prior year net sales and gross profit were adjusted to exclude the effect of one-time service revenue of \$1.0 million.

Mr. Michael C. Culver, President and CEO of First Aviation Services, noted During the quarter we experienced sales and gross profit growth in all our product lines. We are especially pleased to see continued growth in a slow market.

The Company's net loss from continuing operations for the quarter ended January 31, 2001 was \$0.07 per share, as compared to a profit of \$0.04 per share as adjusted for the effect of the one time service revenue.

For the year ended January 31, 2001, net sales increased 19.0% to a record \$97.6 million versus an adjusted \$82.0 million reported for the comparable period of the prior year. Gross profit over the same time period increased 22.9% to \$20.9 million from an adjusted \$17.0 million. Prior year net sales and gross profit were adjusted to exclude the effect of one-time service revenue of \$1.0 million.

Mr. Culver added, We have continued to demonstrate our ability to grow while maintaining one of the strongest balance sheets in the sector. With approximately \$32 million of cash, or \$4.43 per share on 7,184,000 shares outstanding, we are in a position to enhance value through opportunistic acquisitions and continued investment in new service offerings and international expansion.

The Company's net loss from continuing operations for the year ended January 31, 2001 was \$0.08 per share compared to net loss of \$0.01 per share, before a non-recurring charge and one-time service revenue, for the same period of the prior fiscal year. Without start-up expenses incurred in connection with the Company's Asia Pacific and European operations, as well as certain legal expenses (\$0.7 million) related to legacy matters, the Company estimates that its net income for the year ended January 31, 2001 would have been \$0.03 per share.

In February 2000 the Company established AeroV Inc. (AeroV). The purpose of AeroV was to design an electronic procurement platform to enable easy communication between the Internet and airlines legacy systems, and to reduce supply chain costs. The proprietary software platform developed by AeroV is a mature, operational system. The Board of Directors of the Company has reassessed its strategic position with respect to AeroV. Management has had discussions with a number of interested parties, and is pursuing all logical alternatives. The Company has written down its investment in AeroV. The Company has also taken an after tax charge of \$0.4 million, or \$0.05 per share to reflect the costs of disposing of the operation. Results of operations of AeroV have been restated and shown net of applicable income taxes, and include a charge to write down its investment to its estimated net realizable value.

Results of operations for the three months and year ended January 31, 2000 were also restated to reflect the disposition of a former subsidiary. During the year ended January 31, 2000 the Company had net income related to the discontinued operation of approximately \$5.2 million, or \$0.58 per share. During the year ended January 31, 2000 the Company recognized a gain on the sale of discontinued operation of \$10.2 million, or \$1.14 per share.

First Aviation, located in Westport, Connecticut is a worldwide leader in providing services to aircraft operators of some of the most widely used commercial and general aviation aircraft. Its operations include Aerospace Products International (API).

API, based in Memphis, Tennessee, is a leader in the supply of aerospace products and services worldwide. In addition to the product lines it distributes, API offers supply chain management services and overhaul and repair services for brakes and starter/generators and builds custom hose assemblies. With locations in the U.S., Canada and Asia Pacific, plus partners throughout the world, API continues to be the fastest growing supplier of aviation products and inventory management solutions in the industry.

The Company will host a conference call to discuss fourth quarter earnings on Tuesday, May 1, 2001 at 2:00 pm EST. Interested parties should call 1 (800) 865-4435 before 1:45 pm EST on May 1, 2001.

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 from its principal suppliers on a timely basis, market and economic conditions, 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.

#

Contact: John A. Marsalisi
Vice President & Chief Financial Officer
First Aviation Services Inc.
(203) 291-3303

(See attached financial information)

First Aviation Services Inc.

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

	Three Months Ended January 31,		Year Ended January 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net sales	\$ 24,955	\$ 22,544	\$ 97,550	\$ 82,999
Cost of sales	19,806	17,031	76,682	65,015
Gross profit	5,149	5,513	20,868	17,984
Selling, general and administrative expenses	5,072	4,698	19,733	16,014
Operating income before corporate expenses and non-recurring charge	77	815	1,135	1,970
Corporate expenses	983	49	3,435	1,652
Non-recurring charge	-	-	-	410
Operating income (loss) from continuing operations	(906)	766	(2,300)	(92)
Interest income	336	715	1,955	723
Net interest expense and other	(147)	(165)	(580)	(654)
Income (loss) before benefit (provision) for income taxes	(717)	1,316	(925)	(23)
Benefit (provision) for income taxes	228	(346)	349	190
Net income (loss) from continuing operations	(489)	970	(576)	167
Net income (loss) from discontinued operations, net of provision (benefit) for income taxes of \$(710), \$-, \$(1,100) and \$1,037, respectively.	(1,090)	-	(1,847)	5,170
Gain (loss) on disposal of subsidiaries, net of provision for income taxes of \$199, \$5,829, \$199 and \$5,829	(386)	10,193	593	10,193
Net (loss)	\$ (1,965)	\$ 11,163	(1,830)	\$ 15,530

First Aviation Services Inc.

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

	Three months ended January 31,		Year ended January 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
<i>Basic net income (loss) per common share</i>				
Net income (loss) from continuing operations	\$ (0.07)	\$ 0.11	\$ (0.08)	\$ 0.02
Net income (loss) from discontinued operations	(0.14)	-	(0.24)	0.58
Net income(loss) from disposal of subsidiaries	<u>(0.05)</u>	<u>1.18</u>	<u>0.08</u>	<u>1.14</u>
Basic net income (loss) per common share	<u>\$ (0.26)</u>	<u>\$ 1.29</u>	<u>\$ (0.24)</u>	<u>\$ 1.74</u>
Shares used in computation of basic net income (loss) per common share	<u>7,533,062</u>	<u>8,613,444</u>	<u>7,720,520</u>	<u>8,908,756</u>
 <i>Net income (loss) per common share — assuming dilution:</i>				
Net income (loss) from continuing operations	\$ (0.07)	\$ 0.11	\$ (0.08)	\$ 0.02
Net income (loss) from discontinued operations	(0.14)	-	(0.24)	0.57
Net income (loss) from disposal of subsidiaries	<u>(0.05)</u>	<u>1.18</u>	<u>0.08</u>	<u>1.13</u>
Net income (loss) per common share — assuming dilution	<u>\$ (0.26)</u>	<u>\$ 1.29</u>	<u>\$ (0.24)</u>	<u>\$ 1.72</u>
Shares used in computation of basic net income (loss) per common share — assuming dilution	<u>7,533,062</u>	<u>8,638,201</u>	<u>7,720,520</u>	<u>9,005,677</u>

First Aviation Services Inc.

Consolidated Condensed Balance Sheets (in thousands)

	January 31, <u>2001</u> (unaudited)	January 31, <u>2000</u> *
Assets		
Current assets:		
Cash and cash equivalents	\$ 31,855	\$ 50,104
Trade receivables, net	15,860	13,810
Inventories	21,803	14,142
Deferred and refundable income taxes, prepaid expenses and other	<u>4,849</u>	<u>2,582</u>
Total current assets	<u>74,367</u>	80,638
Plant and equipment, net	4,638	3,980
Goodwill, net	<u>1,709</u>	<u>1,774</u>
Total assets	<u><u>\$ 80,714</u></u>	<u><u>\$ 86,392</u></u>
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 13,496	\$ 8,264
Other accrued liabilities	4,321	7,908
Income taxes payable	2,120	6,858
Revolving line of credit and current portion of obligations under capital leases	<u>11,757</u>	<u>163</u>
Total current liabilities	<u>31,694</u>	23,193
Revolving line of credit	-	7,900
Minority interest	1,041	1,041
Obligations under capital leases	<u>147</u>	<u>115</u>
Total liabilities	<u>32,882</u>	32,249
Stockholders equity:		
Common stock	91	91
Additional paid-in capital	38,625	38,615
Retained earnings	19,476	21,306
Treasury stock	<u>(10,360)</u>	<u>(5,869)</u>
Total equity	<u>47,832</u>	54,143
Total liabilities and stockholders equity	<u><u>\$ 80,714</u></u>	<u><u>\$ 86,392</u></u>

*Balances were derived from the audited balance sheet as of January 31, 2000.

###