



First Aviation Releases Fiscal 2008 Financials

WESTPORT, CT, May 28, 2008 – First Aviation Services Inc. (FAVS.PK) (the “Company”), announced today that the fiscal year ended January 31, 2008 showed enormous financial as well as operational progress. While the Company recorded a loss, it was significantly reduced from the prior year and represents the achievement of a number of important financial metrics.

In a letter to shareholders Aaron Hollander, Chairman & CEO said, “Much of the infrastructure that was painfully added over the prior two year period is now bearing fruit. As a result, we believe we now have the best infrastructure in the aerospace distribution and logistics sector and are poised for future growth.

“The financial metrics improved on nearly all fronts. Sales increased 4.9% (to \$125 million), SG&A declined 20%, gross margins increased to 17.1% before freight, and corporate expense was reduced 23%. Net freight, an important metric for single point distribution, has declined to under 1.4% post year end versus 1.7% for the prior year and progress continues to be made (net loss of \$3.7 million was a substantial improvement over the prior year). We also improved our balance sheet, generating cash and reducing net debt from the peak of \$28 million to under \$23 million by year end.

“With our operational and financial improvements, there has been a significant increase in API’s customer confidence and we are proud to have recently announced a number of important new program wins:

- LHTEC, a joint venture of Rolls Royce Plc and Honeywell, awarded the global aftermarket materials management for the T800 engine to API
- API was awarded the total supply chain management for Lufthansa’s Airline Training Center in Arizona (ATCA)
- API joined the MacAulay-Brown C-130 Center Wing Replacement Program designed to extend the service life of this important military cargo aircraft
- API was selected by Air New Zealand to supply aviation chemicals and related consumable materials as the result of API’s robust demand forecasting and inventory planning systems

“Going forward, we intend to use our technology and proprietary systems to continue competing for major logistics programs.

“The current economic environment will likely have the greatest impact on piston aircraft operations, a segment of the market we have a strong position in. Fortunately, we are well diversified in a number of other aviation markets, both domestically and internationally.”

The complete letter to shareholders and full financials are available on the Company’s website <http://www.favs.com>.



First Aviation, located in Westport, Connecticut and its principal operating subsidiary, Aerospace Products International, Inc. ("API"), based in Memphis, Tennessee, is a leading provider of services to the aviation industry worldwide. The services the Company provides to the aviation industry include the sale of aircraft parts and components, the provision of supply chain management services, overhaul and repair services for wheels, brakes and starter/generators, and the assembly of custom hoses. With locations in the U.S., Canada, Asia Pacific, and China plus partners throughout the world, First Aviation, through its operating subsidiary API, continues to be a leading provider of aviation products, supply chain management services and technology solutions in the industry.

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, among others: 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, including terrorism and terrorism related impacts, the impact of changes in fuel and other freight related costs, major adverse weather related effects such as hurricanes impacting our customer base, 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 Southaven, Mississippi, significant failure of our computer systems, telephone systems or networks, and other items that are beyond the Company's control and may cause actual results to differ from management's expectations. The Company undertakes no obligation to update any forward-looking statements or cautionary factors except as required by law.

More information about First Aviation can be found on the Company's and API's websites, which are located at <http://www.favs.com> and, <http://www.apiworldwide.com>.

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