Forward-Looking Statements

This presentation includes certain statements relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on beliefs of Company management, as well as assumptions and estimates based on information currently available to the Company, and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated, including those factors discussed under Item 1A, entitled “Risk Factors,” included in the Company’s Form 10-K for the fiscal year ended May 31, 2014. Should one or more of these risks or uncertainties materialize adversely, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described. These events and uncertainties are difficult or impossible to predict accurately and many are beyond the Company’s control. The Company assumes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. For additional information, see the comments included in AAR’s filings with the Securities and Exchange Commission.
Company Overview
Established Niche Player Serving Global Aviation & Aerospace

Leading provider of Aviation Services and specialized Technology Products to commercial and defense/govt. markets

- NYSE: AIR
- Diversified $2.0B+ revenue stream
- Over 60 years as a market leader in aviation support
- Over 6,000 employees at more than 60 locations worldwide
- Customer-centric business model
An Industry Leader Across Multiple Businesses

### Aviation Services
- Number one independent provider of **aircraft maintenance, repair and overhaul (MRO) and modifications** in North America and the third largest worldwide
  - Operates network of **six airframe repair facilities across** the U.S
- Ranked among the top providers of **aircraft parts and supply chain services** in the world
  - Supply chain management and logistics
  - Component repair and repair chain optimization
  - Distribution of OEM components
- Leading provider of **Airlift Services**

### Technology Products
- Leading provider of **Cargo Systems**
  - **OEM**: Airbus A320, A330, A340, A350 and A400M, Boeing 747-8, CH-47 helicopter
  - **Conversions**: Airbus A330, Boeing 747-400 and 767-200/300
  - Manufactures the lightest certified cargo container in the industry
  - Driving innovations in RFID, GPS location monitoring and fire containment
- Industry leader in **Mobility Products**
  - Military, commercial and humanitarian applications

1,082 aircraft maintained, repaired or overhauled

341 airlines supported (cargo & commercial)
Diversified Portfolio Managed Through Two Segments

**Aviation Services 77% ($1.5B)**
- Commercial 46% ($0.9B)
- Defense 31% ($0.6B)

**Technology Products 23% ($0.5B)**
- Commercial 14% ($0.3B)
- Defense 10% ($0.2B)

* FY 2014. Commercial and Defense percentages based on total AAR Sales.
Global Presence Serving Customers in More Than 100 Countries

SUPPLY CHAIN LOCATIONS
Abu Dhabi, UAE
Adelaide, Australia
Al Dhafr, UAE*
Amsterdam, Netherlands
Atlanta, Georgia*
Brussels, Belgium
Cherry Point, North Carolina*
Chicago, Illinois (Headquarters)
Doha, Qatar
Eindhoven, Netherlands*
Ft. Worth, Texas*
Garden City, New York
Greensboro, North Carolina
Hannover, Germany*
Havelock, North Carolina
Indianapolis, Indiana*
Jacksonville, Florida*
Lake Charles, Louisiana*
London, England
Macon, Georgia
McGuire AFB, New Jersey*
Melbourne, Australia
Nash, Texas
Ogden, Utah
Oklahoma City, Oklahoma*
Paris, France
Phoenix, Arizona*
Rio de Janeiro, Brazil
San Diego, California*
Saudi Arabia
Scott AFB, Illinois*
Shanghai, China
Singapore
Teterboro, New Jersey
Tokyo, Japan
Toronto, Canada*
Travis AFB, California*
Virginia Beach, Virginia*
Waddington, England*
Warner Robins, Georgia*
Windsor, Connecticut
Zhuhai, China*

MANUFACTURING LOCATIONS
Cadillac, Michigan
Clearwater, Florida
Goldsboro, North Carolina
Holmestrand, Norway
Huntsville, Alabama
Jiangsu, China
Kunshan, China
Lund, Sweden
Miesbach, Germany
Sacramento, California
Simi Valley, California
Singapore

MRO FACILITIES
Duluth, Minnesota
Hot Springs, Arkansas
Indianapolis, Indiana
Lake Charles, Louisiana
Miami, Florida
Oklahoma City, Oklahoma

AIRLIFT LOCATIONS
Afghanistan (8 sites)*
Melbourne, Florida
Entebbe, Uganda
Western Pacific (Guam)

* Co-located with customer facilities
### Global MRO Market

<table>
<thead>
<tr>
<th>Year</th>
<th>Parts Distribution &amp; Surplus Parts Market</th>
<th>Global Cargo Market</th>
<th>Mobility Market</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B</td>
<td>$B</td>
<td>$B</td>
</tr>
<tr>
<td>2013</td>
<td>$60.7 $21%</td>
<td>~$0.9B</td>
<td>~$1.3B</td>
</tr>
<tr>
<td>2023</td>
<td>$89.0 $20%</td>
<td>~$1.4B</td>
<td>~$1.2B</td>
</tr>
</tbody>
</table>

- **Modifications**
- **Heavy Airframe**
- **Line**
- **Components**
- **Engine**

### Parts Distribution & Surplus Parts Market

- **B&GA Surplus**
- **B&GA Distribution**
- **Military Surplus**
- **Military Distribution**
- **Air Transport Surplus**

### Global Cargo Market

- **Cargo Aftermarket**
- **Cargo Commercial**
- **Cargo Military**
- **ULD Management**
- **ULD Repair**
- **ULD Manufacturing**

### Mobility Market

- **Commercial**
- **Humanitarian**
- **Military**

Source: ICF International

Denotes AAR market presence
Customer–Centric Value Proposition

Aviation Services

Competitive Advantage
- Experience
- Breadth of products
- Scale of network
- 1-MRO strategy
- Proprietary systems
- Government licenses

Customer Benefits
- Full service provider
- Lower cost solutions
- Fewer resources
- Lower capital investment
- Avoiding obsolescence
- Faster service
- High-quality results

Technology Products

Competitive Advantage
- Innovative products
- Design & certification capabilities
- Fully integrated with OEM
- Service competence

Customer Benefits
- Strong Tier 1 and Tier 2 partner
- Life cycle cost reduction
- Lower-weight systems
- Durability

* FY 2014. (Denotes growth vs. FY2013)
Diversified Platform Across Multiple Dimensions

**Sales $2.0B+***

**Segment**
- Aviation Svc. (3.4%)*
- Tech Prod. (9.2%)*

**End-Market**
- Defense (1.4%)*
- Commercial (7.0%)*

**Geography**
- NA (9.2%)*
- Europe 21.9%*
- Asia (0.7%)*
- RoW (11.3%)*

* FY 2014. (Denotes growth vs. FY2013)
## Strong Customer Relationships

### Airlines
- Aeroméxico
- Air Canada
- Air France
- Alaska Airlines
- British Airways
- Cathay Pacific
- China Airlines
- Delta
- ExpressJet
- Kenya Airways
- Lufthansa
- Singapore Airlines
- Southwest Airlines
- United

### OEMs
- Airbus
- Bombardier
- Boeing
- Eaton
- Gulfstream
- Hamilton Sundstrand
- Honeywell
- Liebherr
- Lockheed Martin
- Northrop Grumman
- Raytheon
- Sikorsky
- Unison

### Cargo & Leasing
- FedEx
- UPS
- DHL
- ILFC

### Government
- U.S. DoD
- U.S. Marshals Service
- U.K. MoD
- Colombian Air Force
- NATO
Financial Performance
Navigated Through Five Major Industry Cycles

After Each Down Cycle, AAR Has Emerged a Stronger and More Diverse Company
## FY2014 Performance Highlights

### Financial

<table>
<thead>
<tr>
<th>Q4 2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of $505.4 million improved sequentially, but were lower than prior year period sales of $553.8 million</td>
<td></td>
</tr>
<tr>
<td>Diluted EPS of $0.43, exceeding consensus of $0.41</td>
<td></td>
</tr>
<tr>
<td>Generated strong cash flow from operations of $63.1 million and free cash flow of $57.8 million</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS of $1.83 and exceeding consensus of $1.81</td>
<td></td>
</tr>
<tr>
<td>FY Sales of $2.04B, down 4.8% over prior year</td>
<td></td>
</tr>
<tr>
<td>Generated full year cash flow from operations of $139.8 million and free cash flow of $113.3 million</td>
<td></td>
</tr>
<tr>
<td>Reduced net debt by $89 million</td>
<td></td>
</tr>
<tr>
<td>Paid out ~$12M in dividends</td>
<td></td>
</tr>
</tbody>
</table>

### Operational

<table>
<thead>
<tr>
<th>Aviation Services</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong performance in Supply Chain, with several new distribution contracts signed and the establishment of European hub in Brussels</td>
<td></td>
</tr>
<tr>
<td>MRO opened sixth new facility in Lake Charles, LA, but faced difficult operating environment, with cyclical headwinds in landing gear and lower volumes in engineering services</td>
<td></td>
</tr>
<tr>
<td>Airlift halved aircraft positions in the second half of the year, but achieved record operating profit</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technology Products</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Began shipments of cargo sets for the A400M program</td>
<td></td>
</tr>
<tr>
<td>Improved performance at A&amp;I, with Composites turning positive operating results</td>
<td></td>
</tr>
<tr>
<td>Slightly challenged performance of commercial cargo systems</td>
<td></td>
</tr>
<tr>
<td>Mobility continued to be at cyclical low</td>
<td></td>
</tr>
</tbody>
</table>
### Q4 FY2014 Income Statement Highlights

<table>
<thead>
<tr>
<th>($ in million)</th>
<th>4Q FY2014</th>
<th>4Q FY2013</th>
<th>3Q FY2014</th>
<th>4Q FY’14 Favorable / (Unfavorable) vs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4Q’13</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>$505.4</td>
<td>$553.8</td>
<td>$474.4</td>
<td>($48.4)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>$85.8</td>
<td>$90.1*</td>
<td>$78.7</td>
<td>($4.3)</td>
</tr>
<tr>
<td>% Margin</td>
<td>17.0%</td>
<td>16.3%</td>
<td>16.6%</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>$53.3</td>
<td>$52.5</td>
<td>$45.6</td>
<td>($0.8)</td>
</tr>
<tr>
<td>% Margin</td>
<td>10.5%</td>
<td>9.5%</td>
<td>9.6%</td>
<td>(1.0%)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$33.1</td>
<td>$38.6*</td>
<td>$33.7</td>
<td>($5.5)</td>
</tr>
<tr>
<td>% Margin</td>
<td>6.6%</td>
<td>7.0%</td>
<td>7.1%</td>
<td>(0.4%)</td>
</tr>
<tr>
<td><strong>Net Interest</strong></td>
<td>$9.1</td>
<td>$9.6</td>
<td>$10.4</td>
<td>$0.5</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income Tax</strong></td>
<td>$6.7</td>
<td>$8.7**</td>
<td>$5.3</td>
<td>$2.0</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$17.2</td>
<td>$20.1**</td>
<td>$17.9</td>
<td>($2.9)</td>
</tr>
<tr>
<td><strong>Avg. Dil. Shares</strong></td>
<td>39.1</td>
<td>38.3</td>
<td>39.1</td>
<td>(0.8)</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>$0.43</td>
<td>$0.50**</td>
<td>$0.45</td>
<td>($0.07)</td>
</tr>
<tr>
<td><strong>Street Consensus</strong></td>
<td>$0.41</td>
<td>$0.45</td>
<td>$0.47</td>
<td>($0.04)</td>
</tr>
</tbody>
</table>

* Improved Performance vs. 3Q FY2014

---

* Adjusted for pre-tax KC–10 charge of $29.8 million.
** Adjusted for after-tax KC-10 charge of $19.5 million ($10.3 million tax impact).
## FY2014 Highlights

<table>
<thead>
<tr>
<th>($ in million)</th>
<th>FY2014</th>
<th>FY2013</th>
<th>Favorable / (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,035.0</td>
<td>$2,137.3</td>
<td>($102.3)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$340.2</td>
<td>$344.0*</td>
<td>($3.8) 0.6%</td>
</tr>
<tr>
<td>% Margin</td>
<td>16.7%</td>
<td>16.1%</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>$197.6</td>
<td>$198.4</td>
<td>($0.8) 0.4%</td>
</tr>
<tr>
<td>% Margin</td>
<td>9.7%</td>
<td>9.3%</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>$145.7</td>
<td>$152.4*</td>
<td>($6.7) 0.1%</td>
</tr>
<tr>
<td>% Margin</td>
<td>7.2%</td>
<td>7.1%</td>
<td></td>
</tr>
<tr>
<td>Net Interest Expense</td>
<td>$40.4</td>
<td>$40.1</td>
<td>($0.3)</td>
</tr>
<tr>
<td>Income Tax</td>
<td>$32.1</td>
<td>$37.0**</td>
<td>$4.9</td>
</tr>
<tr>
<td>Net Income</td>
<td>$72.9</td>
<td>$74.5**</td>
<td>($1.6)</td>
</tr>
<tr>
<td>Avg. Dil. Shares</td>
<td>39.1</td>
<td>40.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.83</td>
<td>$1.85**</td>
<td>($0.02)</td>
</tr>
<tr>
<td>Street Consensus</td>
<td>$1.81</td>
<td>$1.80</td>
<td>$0.01</td>
</tr>
</tbody>
</table>

* Adjusted for pre-tax KC-10 charge of $29.8 million.
** Adjusted for after-tax KC-10 charge of $19.5 million ($10.3 million tax impact).

### FY2014 EPS Performance Exceeding Consensus
## Balance Sheet and Cash Flow Highlights

<table>
<thead>
<tr>
<th></th>
<th>4Q FY2014</th>
<th>4Q FY2013</th>
<th>3Q FY2014</th>
<th>4Q FY’14 Favorable / (Unfavorable) vs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4Q’13</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$634.0</td>
<td>$708.6</td>
<td>$714.4</td>
<td>$74.6</td>
</tr>
<tr>
<td>Cash</td>
<td>$89.2</td>
<td>$75.3</td>
<td>$114.7</td>
<td>$13.9</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$544.8</td>
<td>$633.3</td>
<td>$599.7</td>
<td>$88.5</td>
</tr>
<tr>
<td>LTM EBITDA</td>
<td>$234.8</td>
<td>$243.2*</td>
<td>$239.2*</td>
<td>($8.4)</td>
</tr>
<tr>
<td>Total Debt/ LTM EBITDA</td>
<td>2.7x</td>
<td>2.9x</td>
<td>3.0x</td>
<td>0.2x</td>
</tr>
<tr>
<td>Net Debt/ LTM EBITDA</td>
<td>2.3x</td>
<td>2.6x</td>
<td>2.5x</td>
<td>0.3x</td>
</tr>
<tr>
<td>Q-ly Operating Cash Flow</td>
<td>$63.1</td>
<td>$75.1</td>
<td>$10.3</td>
<td>($12.0)</td>
</tr>
<tr>
<td>FY Operating Cash Flow</td>
<td>$139.8</td>
<td>$162.9</td>
<td>-</td>
<td>(23.1)</td>
</tr>
<tr>
<td>Q-ly Free Cash Flow</td>
<td>$57.8</td>
<td>$61.4</td>
<td>$3.4</td>
<td>($3.6)</td>
</tr>
<tr>
<td>FY Free Cash Flow</td>
<td>$113.3</td>
<td>$125.3</td>
<td>-</td>
<td>($12.0)</td>
</tr>
<tr>
<td>Available Liquidity</td>
<td>$424.5</td>
<td>$417.5</td>
<td>$439.9</td>
<td>$7.0</td>
</tr>
</tbody>
</table>

*4Q FY2013 LTM EBITDA adjusted for $29.8 million KC-10 charge.

**Maintaining Strong Balance Sheet & Credit Metrics**
Leverage & Liquidity Levels

Net Debt Evolution

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt</td>
<td>$725</td>
<td>$721</td>
<td>$710</td>
<td>$676</td>
<td>$634</td>
<td>$611</td>
<td>$582</td>
<td>$600</td>
<td>$545</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Debt / LTM EBITDA</td>
<td>3.5x</td>
<td>3.3x</td>
<td>3.2x</td>
<td>2.9x</td>
<td>2.9x</td>
<td>2.9x</td>
<td>2.8x</td>
<td>3.0x</td>
<td>2.7x</td>
</tr>
<tr>
<td>Net Debt / LTM EBITDA</td>
<td>3.2x</td>
<td>3.0x</td>
<td>2.9x</td>
<td>2.7x</td>
<td>2.6x</td>
<td>2.5x</td>
<td>2.4x</td>
<td>2.5x</td>
<td>2.3x</td>
</tr>
</tbody>
</table>

Continued Deleveraging Trend
AAR Today: A Diversified $2.0B+ Business

Diverse Capabilities + Unique Value Propositions = Steady Growth
Sustained Growth

- Revenue CAGR of ~9% over the last five years

Leading Position in Niche Commercial Markets

- #1 MRO in North America; #3 worldwide*
- Voted Parts Supplier of the Year**

Strong Cash Flow

- Superior cash generating profile with free cash flow ~2.0x Net Income

* Source: ATE&M Awards, 2014
** Source: Airline Economics magazine, 2012
Appendix
Pursuant to SEC Regulation G, the Company has included the following reconciliation of operating income reported on the basis of Generally Accepted Accounting Principles ("GAAP") to Adjusted EBITDA on a non-GAAP basis. The Company believes the non-GAAP Adjusted EBITDA and ratios using Adjusted EBITDA are used by banks, debt holders and investors as important measures of the Company’s performance and ability to service debt obligations.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to AAR</td>
<td>$68.2</td>
<td>$56.8</td>
<td>$44.6</td>
<td>$69.8</td>
<td>$67.7</td>
<td>$55.0</td>
<td>$73.2</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>36.6</td>
<td>27.5</td>
<td>21.0</td>
<td>33.6</td>
<td>25.5</td>
<td>26.8</td>
<td>32.1</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>27.7</td>
<td>30.0</td>
<td>25.8</td>
<td>30.3</td>
<td>36.5</td>
<td>40.1</td>
<td>40.4</td>
</tr>
<tr>
<td>Loss (gain) on debt extinguishment</td>
<td>2.0</td>
<td>(14.7)</td>
<td>(0.9)</td>
<td>(0.1)</td>
<td>0.7</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Loss (gain) on sale of investments</td>
<td>(0.5)</td>
<td>1.4</td>
<td>1.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss from discontinued operations net of tax</td>
<td>0.6</td>
<td>1.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>39.6</td>
<td>40.1</td>
<td>38.9</td>
<td>57.8</td>
<td>72.0</td>
<td>79.7</td>
<td>80.4</td>
</tr>
<tr>
<td>Amortization of stock-based compensation</td>
<td>6.4</td>
<td>6.2</td>
<td>9.3</td>
<td>12.3</td>
<td>12.5</td>
<td>11.1</td>
<td>8.7</td>
</tr>
<tr>
<td>Gain on sale of product line</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5.9)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment &amp; non-recurring charges</td>
<td>-</td>
<td>31.1</td>
<td>-</td>
<td>5.3</td>
<td>13.2</td>
<td>29.8</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$180.6</td>
<td>$180.3</td>
<td>$139.9</td>
<td>$203.1</td>
<td>$228.1</td>
<td>$242.8</td>
<td>$234.8</td>
</tr>
</tbody>
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