FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 5, 2011
Date of Report (Date of earliest event reported)

AAR CORP.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of incorporation)

1-6263
(Commission File Number)

36-2334820
(IRS Employer Identification No.)

One AAR Place, 1100 N. Wood Dale Road
Wood Dale, Illinois 60191
(Address and Zip Code of Principal Executive Offices)

Registrant’s telephone number, including area code: (630) 227-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Item 7.01. Regulation FD Disclosure.

AAR CORP. (the “Company”) will hold an “Investor Day” conference in New York City on Wednesday, October 5, 2011, beginning at 8:00 a.m. (ET). David P. Storeh, Chairman and Chief Executive Officer, Timothy J. Romenesko, President and Chief Operating Officer, and Richard J. Poulton, Vice President, Chief Financial Officer and Treasurer, will speak at the conference. There also will be separate presentations from the leaders of the Company’s four business segments: Aviation Supply Chain; Maintenance, Repair and Overhaul; Structures and Systems; and Government and Defense Services.

Attached as Exhibit 99.1 are the slides that will be used by the Company’s officers at the conference. As reflected on the conference slides, the Company has provided guidance for the fiscal year ending May 31, 2012 as follows: expected sales of $1.9 billion to $2.0 billion and expected diluted earnings per share of $1.85 to $2.05.

The audio webcast of the conference will be available live and for replay for 30 days from the presentation date and can be accessed from the “Investor Relations” section of the Company’s website at www.aarcorp.com under “Investor Relations/Events and Presentations.”

The information in this Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise stated in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Conference slides presented by AAR CORP. at “Investor Day” conference on October 5, 2011.
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 5, 2011

AAR CORP.

By: /s/ RICHARD J. POULTON
Richard J. Poulton
Vice President, Chief Financial Officer and Treasurer
<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>99.1</td>
<td>Conference slides presented by AAR CORP. at “Investor Day” conference on October 5, 2011.</td>
</tr>
</tbody>
</table>
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 May 31, 2011 Form 10-K. 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.
<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:00 AM</td>
<td>AAR CORP. Overview</td>
<td>David Storch Chairman and Chief Executive Officer</td>
</tr>
<tr>
<td>8:20 AM</td>
<td>Aviation Supply Chain</td>
<td>John Holmes Vice President</td>
</tr>
<tr>
<td>8:40 AM</td>
<td>Maintenance, Repair &amp; Overhaul</td>
<td>Dany Kleiman Group Vice President</td>
</tr>
<tr>
<td>9:00 AM</td>
<td>Government &amp; Defense Services</td>
<td>Randy Martinez Group Vice President</td>
</tr>
<tr>
<td>9:20 AM - 9:40 AM</td>
<td>BREAK</td>
<td></td>
</tr>
<tr>
<td>9:40 AM</td>
<td>Structures &amp; Systems</td>
<td>Terry Stinson Group Vice President</td>
</tr>
<tr>
<td>10:00 AM</td>
<td>Operational Review</td>
<td>Tim Romenesko President and Chief Operating Officer</td>
</tr>
<tr>
<td>10:10 AM</td>
<td>Financial Highlights</td>
<td>Rick Poulton Chief Financial Officer and Treasurer</td>
</tr>
<tr>
<td>10:20 AM</td>
<td>Q&amp;A</td>
<td>Chaired by David Storch</td>
</tr>
</tbody>
</table>
AAR CORP. Overview

David Storch
Chairman and
Chief Executive Officer
Overview

- **Diversified and balanced portfolio** of Aerospace & Defense businesses
  - Commercial 49% | Government & Defense 51%
  - Aftermarket & Support Services 81% | Manufacturing 19%

- **Growth opportunities** in both Commercial and Government & Defense markets
  - Continued recovery in Commercial markets
  - Well positioned in government/defense services market

- **Strong value proposition** for both Commercial and Government/Defense:
  
  "Align with customers to lower costs as they seek to do more without more"
Diversified Business Mix

Strong portfolio of Aerospace & Defense businesses provides balance, strength and consistency through the cycles

<table>
<thead>
<tr>
<th>May 31, 2001</th>
<th>August 31, 2011 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing 11%</td>
<td>Manufacturing 19%</td>
</tr>
<tr>
<td>Aftermarket &amp; Support Services 89%</td>
<td>Government 81%</td>
</tr>
<tr>
<td>Government 17%</td>
<td>Commercial 49%</td>
</tr>
<tr>
<td>Commercial 83%</td>
<td>Government 51%</td>
</tr>
</tbody>
</table>

Diversified Business Mix May 31, 2001 August 31, 2011 TTM Strong portfolio of Aerospace & Defense businesses provides balance, strength and consistency through the cycles

Manufacturing 11% | Government 17% | Commercial 83%

Aftermarket & Support Services 89% | Government 81% | Commercial 49%

Manufacturing 19% | Government 51% | Commercial 49%
**Balanced Portfolio**

<table>
<thead>
<tr>
<th>Aviation Supply Chain</th>
<th>Maintenance, Repair &amp; Overhaul</th>
<th>Government &amp; Defense Services</th>
<th>Structures &amp; Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Airlift</td>
<td>Mobility Systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DSL</td>
<td>Precision Systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>InTech</td>
<td>Cargo Systems</td>
</tr>
</tbody>
</table>

- Commercial Parts Supply
- Component Repair
- Supply Logistics Programs
- Aircraft Maintenance
- Landing Gear Repairs
- Expeditionary Air Lift
- Supply Logistics Programs
- Command and Control Integration
- Specialized Mobility Products
- Composite and Metal Structures
- Cargo Systems

- **49%**
  - 95% Commercial
  - 5% Government & Defense

- **32%**
  - 0% Commercial
  - 100% Government & Defense

- **19%**
  - 15% Commercial
  - 85% Government & Defense

Percentages represent August 31, 2011 TTM business breakdown.
### Strong FY 2011 Performance

**Invested in value-added services and operational improvements, won and expanded key customer relationships and built a solid platform for growth.**

<table>
<thead>
<tr>
<th>Aviation Supply Chain</th>
<th>Maintenance, Repair &amp; Overhaul</th>
<th>Government &amp; Defense Services</th>
<th>Structures &amp; Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Invested to support new aircraft platforms</td>
<td>▶ Won and expanded new customers</td>
<td>▶ Integration of Airlift</td>
<td>▶ Orders from Spirit</td>
</tr>
<tr>
<td>▶ Launched aftermarket distribution relationship</td>
<td>▶ #1 ranked MRO in North America</td>
<td>▶ Added 14 new aircraft</td>
<td>▶ Follow-on orders for FMTV</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▶ Won more than $540M in new business awards</td>
<td></td>
</tr>
</tbody>
</table>

- **#1 U.S. MRO**

- **Two new S-92s enter Airlift’s fleet**

- **Spirit Orders on Boeing Platforms**
<table>
<thead>
<tr>
<th>FY 2012 Performance</th>
<th>Q1 Performance</th>
<th>Balance of FY 2012</th>
<th>Long-Term Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aviation Supply Chain</strong></td>
<td>▶ Strong Q1 performance</td>
<td>▶ New programs and strong trading volumes</td>
<td>▶ Market leader with world-wide presence</td>
</tr>
<tr>
<td><strong>Maintenance, Repair &amp; Overhaul</strong></td>
<td>▶ Lower capacity utilization</td>
<td>▶ New customer wins</td>
<td>▶ Market leader with deep customer relationships; portal to other AAR businesses</td>
</tr>
<tr>
<td><strong>Government &amp; Defense Services</strong></td>
<td>▶ Mission capable rates</td>
<td>▶ New contracts and improved operating performance</td>
<td>▶ Industry leader for providing airlift in austere environments and logistics support</td>
</tr>
<tr>
<td><strong>Structures &amp; Systems</strong></td>
<td>▶ Timing of Mobility product shipments</td>
<td>▶ Spirit and FMTV ramp-up</td>
<td>▶ Industry leader in Mobility products; OEM build cycle</td>
</tr>
</tbody>
</table>
Government & Defense: The AAR Thesis

1. Well positioned around funding areas that are more stable
   - Most cuts expected around Procurement and RDT&E
   - Operations & Maintenance budgets expected to hold up relatively well
   - Aging fleet

2. Value proposition about lowering cost which will help governments do more without more
   - Cost reductions and efficiency gains a central strategy in future budgets
     - Will benefit companies specialized in logistics and supply chain management
     - Will benefit companies offering maintenance, reset and modifications

3. Recent wins for AAR
   - Since April 2011, renewed Airlift contracts
     - Afghanistan rotary wing
     - Afghanistan fixed wing
     - Navy VERTREP
   - 3 additional aircraft
   - FMTV at Mobility Systems

Base DoD Budget expected to grow at a 1% CAGR between 2012 and 2016
Key Strategic Principles

- **Maintain Portfolio Balance**
  - Commercial / Defense
  - Services / Front-end manufacturing
  - U.S. / International

- **Deepen Relationships with Customers**
  - Align with key OEM’s
  - Transition to a Tier I supplier
  - Provide complete end-to-end solutions

- **Improve Operating Margins**
  - Build scale across businesses
  - Leverage core capabilities
  - Increase engineering / value-added content

- **Maintain a Strong Balance Sheet**
  - Provide operating flexibility
  - Cash flow positive in each business

1. Continue to position the Company to serve attractive **markets**
2. Move up the value chain for **customers**
3. Cash flow generation for **shareholders**
Deep Management Team to Execute Strategy

David Storch  
Chairman and  
Chief Executive Officer  
33 years with AAR  
33 years in Industry

Tim Romenesko  
President and  
Chief Operating Officer  
31 years with AAR  
31 years in Industry

Rick Poulton  
Chief Financial Officer  
and Treasurer  
5 years with AAR  
21 years in Industry

John Holmes  
Vice President,  
Aviation Supply Chain  
10 years with AAR  
10 years in industry

Dany Kleiman  
Group Vice President,  
Maintenance, Repair & Overhaul  
2 year with AAR  
20+ years in Industry

Terry Stinson  
Group Vice President,  
Structures & Systems  
4 years with AAR  
40 years in industry

Randy Martinez  
Group Vice President,  
Government & Defense Services  
3 years with AAR  
33 years in industry

An accomplished and experienced leadership team dedicated to integrity, fiscal responsibility, operational excellence, customer satisfaction and stockholder value
Aviation Supply Chain

John Holmes
Vice President
John Holmes
Vice President, Aviation Supply Chain

- Leads AAR’s Allen Asset Management and Aircraft Component Services
- Joined AAR CORP. in 2001
- Solid career with AAR CORP.
  - Vice President, Aviation Supply Chain
  - General Manager, Allen Aircraft
  - Director of Mergers and Acquisitions, AAR CORP.
- Education
  - Bachelor of Science degree in Finance from University of Illinois, Champaign
  - Masters Business Administration, University of Chicago Booth School of Business
Leading Provider of Supply Chain Solutions

**Airframe and Engine Parts Supply**
- Boeing, Airbus and Regional aircraft and engine coverage
- Sales, leasing and programmatic supply
- Offices in 12 countries

**Component Repair**
- Broad technical capability for commercial and defense platforms
- Reliability engineering and configuration management

**Programs**
- Integrated supply chain management programs
- Material planning, sourcing, logistics, repair and information management
- Asset management
- Guaranteed service level & cost

Trading → Component Repair → Initial Provisioning → Surplus Remarketing → Planning, Logistics & IT → Integrated Supply Chain Programs

Commercial Services
Market Overview and Current Trends

Global MRO Market of $50B
- $5B addressable market
- 3% ten-year CAGR

Current Market Trends
- Very strong demand for new generation assets
- Airlines: Continued cash focus
- Lessors: 'End of life' strategies
- OEMs: Aftermarket focus
- Increasing demand for integrated support services

Long-Term Market Trends
- Shifting fleet demographics (A320Neo / 737NG)
- Large renewal programs for commercial fleet in North America

Source: AeroStrategy

Segment Geography
- Heavy $17.6B
- Line $11.5B
- Component $11.0B
- Engine $10.0B
- Other $5.0B

Geography
- North America
- Europe
- Asia
- ME
- Other

10-Year Projected CAGR
- 3%
- 6%
- 5%
- 2%
- 1%

Commercial Services AAR
Strategy Summary

Building an industry leading supply chain business offering end-to-end solutions by leveraging program volumes to feed the parts supply and repair businesses

- Programs provide assets to fuel the parts supply business
- Programs fund capability development
- Programs drive geographic expansion

- Engine and airframe parts supply is foundation
- Reduces inventory investment requirement for programs
- Provides repair volume for in-house capability development

- Strategic airframe focus reduces complexity and cost
  - Provides more competitive pricing in programs
- Rapid in-house turns lead to increased asset availability for trading business

Trading and repair businesses align to support programmatic business
Strategy – Commercial Parts Supply

- Continue to improve market position in newer generation platforms
- Adjust balance between asset acquisition and asset consignment
- Long-term alignment with lessors combined with opportunistic transactions
- Acquire long-term exclusive distributorships (Unison)
Strategy – Repair

Focused Capability Development

- Capability rationalization – NY and Amsterdam
- Investment in new generation platforms
- Cooperation with OEMs and alliances with third party repair shops
- Flexible infrastructure built for multiple program customers

Broad Capability

- JETSTR
- BAE146
- J31
- PC12
- ERJ135
- ERJ145
- DH C7
- 737C
- DC9
- 717
- L1011
- B1900
- FALCON
- DC9
- MD11
- MD80/90
- DO328
- B727
- A300
- A310
- DC10
- B707
- CERSENA
- METRO
- AW109
- DHC6
- CITATION
- C-131
- EMB110 KC10
- H40
- KC135

Core Capability

- A320
- 737NG
- E JET
- ATR
- 737C
- Q400
- KC10
- H50
- 757/767
- CRJ
Strategy – Programs

Component and Distribution Programs

- Leverage existing stock, sourcing and repair infrastructure
- Supplement AAR infrastructure with alliances and strategic sourcing
- Portal for OEM aftermarket penetration
- Provide platform and channel for additional AAR solutions

Recent Program Examples

- **Unison: Ten year global exclusive distributorship**
  - $600M contract
  - Sales ramp up on track
  - Platform for distribution growth

- **Finnair: Supply chain support**
  - First 757 support program
  - Foundation for growth into A320 & EJets
  - Access to Russian market
Financial Trends

Q1 Performance

- Strongest quarter in ten years
- Sales of new generation trading assets and continued reduction of aircraft portfolio
- Secured Unison distributorship

Revenue = $154.8M
Gross Profit = $25.3M (16.3% Margin)

Balance of FY2012

- Benefit from Q1 investments
- Continued demand for new generation assets (737NG, A320)
- Strong asset acquisition / consignment pipeline
- Full-support programs set to come on-line (EJet and 737NG)

Revenue = $355M - $375M
Gross Profit = 17.5% - 19%

Financial Results*

<table>
<thead>
<tr>
<th>Financial Results*</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>$510</td>
</tr>
</tbody>
</table>

Gross Profit Margin %

- FY2008: 25.2%
- FY2009: 18.7%
- FY2010: 18.2%
- FY2011: 16.6%
- Outlook: 17.5% - 18.0%

(Note: Excludes Amsterdam repair facility (discontinued operations))
Long-Term Drivers

- Industry leading position
- 60-year history of innovation and technical advancement
- Unmatched global sourcing and relationship network
- Continued trend towards outsourcing and integrated asset management programs
- Robust integrated program offering covering all areas of the supply chain
- Ongoing commitment to operational excellence
Maintenance, Repair & Overhaul

Dany Kleiman
Group Vice President
Dany Kleiman
Group Vice President, MRO

- Leads AAR’s Maintenance, Repair and Overhaul business to include airframe maintenance and modifications, Landing Gear, Engineering Services and Structural Products
- Joined AAR CORP. in 2009

Career Highlights
- Israel Aerospace Industries
  - Corporate VP & GM Bedek Aviation Group
  - COO
  - GM Production Division & Business Jet Programs of IAI’s Commercial Aircraft Group
- ISRAVIATION
  - VP of Operations and Chief Engineer
- Israeli Air-Force – 8 years of service

Education
- BSE in Aeronautical Engineering from Israel Institute of Technology in Technion, Haifa, Israel
MRO Overview

 Ranked as #1 MRO in the U.S.

 Ranked as #3 in the world for third-party airframe man-hours

- Provide full range of airframe heavy maintenance service at four MRO facilities across the U.S.
- Landing Gear Services facility in Miami
- Engineering Services, Structural Products and Technical Services in Indianapolis
- Portal for AAR businesses
MRO Operations

<table>
<thead>
<tr>
<th>Airframe MRO</th>
<th>Landing Gear Services</th>
<th>Additional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indianapolis</strong></td>
<td>+ 6% hours sold YOY</td>
<td><em>Miami</em> + 36% revenue growth YOY</td>
</tr>
<tr>
<td>10 hangars</td>
<td>600 legs per year</td>
<td>Engineering Services</td>
</tr>
<tr>
<td>1.1 Million SF</td>
<td>130K sq. ft.</td>
<td>Structural Products</td>
</tr>
<tr>
<td>Narrow body aircraft</td>
<td></td>
<td>Technical Services</td>
</tr>
<tr>
<td><strong>Oklahoma City</strong></td>
<td>+ 31% hours sold YOY</td>
<td></td>
</tr>
<tr>
<td>6 hangars</td>
<td></td>
<td></td>
</tr>
<tr>
<td>300,000 SF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Narrow body and regional aircraft</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Miami</strong></td>
<td>+ 13% hours sold YOY</td>
<td></td>
</tr>
<tr>
<td>3 hangars</td>
<td></td>
<td></td>
</tr>
<tr>
<td>226,000 SF in three hangars</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Narrow and wide body aircraft</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hot Springs</strong></td>
<td>+ 25% hours sold YOY</td>
<td></td>
</tr>
<tr>
<td>2 hangars</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60,000 SF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional aircraft</td>
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</tbody>
</table>
Increased demand for outsourced maintenance will augment growth for third party providers.

- Stable North American market with increased outsourcing, and expanding international markets
  - Mergers driving additional outsourcing, particularly amongst regional airlines
- New aircraft delivered during last up-cycle (2006-2007) coming out of warranty period
- Production delays and long lead times leading to capacity growth from flying older aircraft
- Investments in cabin and aircraft modifications that were previously deferred
- Outsourcing expands beyond pure airframe maintenance
  - Greater demand for bundled services

Source: AeroStrategy
Recent Airframe MRO Wins

New program wins will lead to improved capacity utilization

- **DELTA**
  - Continue to expand relationship
  - Supporting MD-90 fleet inductions and B767 engineering integration services
  - Bundling of service offerings across multiple business units

- **Virgin America**
  - Exclusive D-check and IFE installation agreement running through January 2013
  - Strengthens AAR’s position as a leader in A320 family airframe maintenance services

- **Mesaba Airlines**
  - Exclusive heavy maintenance provider for entire regional fleet
  - 5-year agreement
  - Major regional carrier

- **Portal for AAR CORP. services**

- **Experience with Airbus family of aircraft**

- **Long-term base load for OKC and HCT facilities**

Commercial Services
Enhance execution to reduce TAT's and improve "first-time" quality

Increase efficiencies through floor utilization and drive additional capacity to support strategic customers

Continuous improvement under "One-MRO" concept

Develop "centers-of-excellence" across facilities

Effective management of cost structure to share efficiencies with our customers

Price and quality are key success factors in highly competitive industry
# Landing Gear Services

## Business and Market Overview
- One of the largest independent providers for landing gear repair and overhaul
  - Full service in-house capabilities
- Growth in wheels and brakes capability
- Availability of rotatable assets
- Expected growth in regional market

## Strategy
- Reduce TAT’s through continuous improvement and operational excellence
- Capture growing regional business, leveraging Airframe MRO relationships
- Develop additional product lines
- Expand international sales by leveraging AAR’s global sales team

## Key Customers

- [Delta](#)
- [FedEx](#)
- [United Airlines](#)
- [Hawaiian Airlines](#)
- [US Airways](#)
- [Southwest Airlines](#)
- [AAR](#)
Engineering Services

Business and Market Overview

- Business has performed strongly against previous major awards
- Revenue remains cyclical
- Airline consolidation driving demand for engineering services related to fleet standardization and upgrades

Strategy

- Leverage AAR’s deep commercial relationships to grow pipeline
- Promote current STC’s to help expand business with other airlines
- Provide turn-key solutions by utilizing Structural Products capability for kitting production and assembly
- Follow-on awards generate significant revenue in FY13

Timing of Sales for Existing Contracts
Financial Trends

Q1 Performance

- Lower contribution from Engineering Services
- Lower capacity utilization during summer
  - Protected workforce for increased volumes in balance of year
- New customer programs - start-up costs and learning curve impacts

Revenue = $93.2M
Gross Profit = $10.3M (11.1% Margin)

Balance of FY2012

- Streamline work flow and efficiencies on new work
- Significant improvement in capacity utilization
  - New major customer inducted
  - New modification lines

Revenue = $285M - $305M
Gross Profit = 13% - 15%

Financial Results

Sales

- MRO Centers
- Engineering Services

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
<td>$304</td>
</tr>
<tr>
<td>FY2009</td>
<td>$349</td>
</tr>
<tr>
<td>FY2010</td>
<td>$301</td>
</tr>
<tr>
<td>FY2011</td>
<td>$364</td>
</tr>
<tr>
<td>FY2012</td>
<td>$380 - $400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outlook</th>
<th>Sales (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$300 - $400</td>
<td></td>
</tr>
</tbody>
</table>

Gross Profit Margin %

- FY2008: 14.6%
- FY2009: 14.7%
- FY2010: 12.7%
- FY2011: 14.2%
- FY2012: 13.5% - 14.0%

Commercial Services
Long-Term Drivers

- Leading provider of MRO services in North America
- Continued trends towards outsourcing
- Low capital intensive business with flexible capacity
- Strong relationships with leading U.S. airlines
- Expanding service offering with value-added products for existing customers
- MRO acts as portal for other AAR businesses
Government & Defense Services

Randy Martinez
Group Vice President
Randy Martinez

Group Vice President, Government & Defense Services

- Leads AAR’s Defense Systems and Logistics, Airlift Group and Integrated Technologies businesses
- Joined AAR CORP. in 2009
- Formerly served as CEO and board member of World Air Holdings, Inc.
  - Publicly traded $1B global enterprise with 2,200 employees
- Distinguished 21-year career with the U.S. Air Force
  - Principal Advisor to the Chief of Staff of NATO’s Strategic Planning Staff
  - Senior Aide-de-Camp to the Chairman of the Joint Chiefs of Staff
  - Command pilot rating, retired Colonel
- Serves as Chairman of the Military Airlift Committee of the National Defense Transportation Association and on the board of Safe Ports, Inc.

- Education
  - Bachelor of Science Degree from the U.S. Air Force Academy
  - Master of Science Degrees from the University of Arkansas and the National Defense University
  - Kellogg School of Business CEO Perspectives
Two major businesses
- Defense Systems and Logistics (DSL)
- Airlift Group (Airlift)

Provider of critical services and products to government and defense customers
- 92% Domestic and 8% International

Over 1,300 employees (48% overseas)

Strong future growth opportunities

7-Point AAR Advantage
- Close to the customer
- Honor our commitments
- Big business ability with small business speed and agility
- Scalable and adaptable capabilities
- Uncompromising commitment to safety, quality, regulatory compliance and continuous improvement
- Financial strength
- Customized cost-effective solutions
Strengths, Business Highlights and Initiatives

**Key Strengths**

- Support U.S. and foreign governments and OEMs for mission critical programs
- Defensible market niches
- Services and capabilities in areas of budgetary priority
- Create opportunities for other AAR business units

**FY11 Highlights**

- DSL revenue growth of 94%
- Airlift pro forma revenue growth of 52%
- Start-up and growth of KC-10 program
- Relocation and re-branding of Airlift
- Acquired 14 new aircraft

**Strategic Initiatives**

- Focus on productivity improvement
- Provide higher margin products and services
- Build sustainable pipeline of new business
- Diversify customer base
- Continue to leverage opportunities with other AAR business units

Government & Defense Services  AAR
Government/Defense Budget Trends

- Operations & Maintenance (O&M) budgets less susceptible to funding cuts
- AAR provides more cost effective solutions for governments
  - Reduction of ownership costs
  - Supply chain efficiencies
  - Improved capabilities of existing systems
- DoS and DHS budgets to provide some offset to declines in DoD spending

**DoD Budget**
FY 1948 – FY 2010E

**Procurement + RDT&E Budgets**
FY 1970 – FY 2012

Government & Defense Services
Defense Systems and Logistics

Providing supply chain management services to OEMs supporting military aerospace programs for the U.S. Government and allied military services

- Comprehensive maintenance, supply and logistics support
  - Department of Defense (DoD)
  - Major defense integrators
  - Allied military services
- Supply Chain Management (~80%)
  - Complete inventory management
  - Information systems integration with DoD legacy systems
- Distribution (~20%)

FY12 Focus
- Optimize KC-10 program
- Diversify customer base
- Replacement of Joint Stars program
- Maintain low capital investment profile

Government & Defense Services
AAR Airlift Group

Leading provider of expeditionary, highly-sensitive and mission-critical aviation services around the world

- Proven capability operating in austere environments
- Turnkey solutions including flight operations, maintenance, modifications, logistical support and training
- Presidential Airways renamed AAR Airlift Group, Inc. on January 1, 2011
- Since 2005:
  - Flown more than 90,000 missions worldwide
  - Transported over 700,000 personnel
  - Delivered over 106 million pounds of cargo and mail
  - Proven modification/completion center for new Sikorsky Blackhawks

Key Strengths
- Key certificates
  - FAA Part 133 and 135 certificates to operate aircraft
  - Part 145 certificate to operate repair station
- Commercial Airlift Review Board (CARB) certified with DoD
- Track record of performance

Government & Defense Services
Jeff Schloesser
President, AAR Airlift Group, Inc.

- Leads Airlift and Aircraft Services - Melbourne businesses
- Joined AAR CORP. in 2010, 14 months in job
- Distinguished 34-year career with the U.S. Army, retiring as a Major General
  - Led U.S. Army’s $6 billion annual modernization and transformation plan for a fleet of 4,000 aircraft and 76,000 personnel
  - Commanding General of the 101st Airborne Division and Regional Command-East in Afghanistan
  - Deputy Director of the National Counter Terrorism Center
- Education
  - Bachelor Degree from University of Kansas
  - Master of Science in Foreign Service from Georgetown University
  - National Security Fellow at the JFK School of Government, Harvard University
Currently expanding footprint based on customer demand

- Reduction of 33k U.S. troops in 2012, phasing out by end of 2014
- Continued reliance on contract air services
- Revenue will remain strong through 2014
- Transition in 2015 to other government and commercial opportunities
**Financial Trends**

**Q1 Performance**
- Delayed aircraft conformity due to relocation
- Convergence of heavy maintenance checks
- Aircraft serviceability (Mission Capable rates)

Revenue = $150.0M  
Gross Profit = $27.4M (18.3% margin)

**Balance of FY2012**
- Improve Mission Capable rates
- Airlift organizational efficiencies
- Optimize KC-10 program
- Sourcing and inventory optimization
- Drive cash flow

Revenue = $465M - $485M  
Gross Profit = 18% - 19%

**Financial Results**

Sales

<table>
<thead>
<tr>
<th>FY</th>
<th>Sales (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>$195M</td>
</tr>
<tr>
<td>FY09</td>
<td>$168M</td>
</tr>
<tr>
<td>FY10</td>
<td>$571M</td>
</tr>
<tr>
<td>FY11</td>
<td>$174M</td>
</tr>
</tbody>
</table>

**Outlook**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sales (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>$15 - $156M</td>
</tr>
</tbody>
</table>

Gross Profit Margin %

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY08</td>
<td>21.2%</td>
</tr>
<tr>
<td>FY09</td>
<td>22.7%</td>
</tr>
<tr>
<td>FY10</td>
<td>21.7%</td>
</tr>
<tr>
<td>FY11</td>
<td>18.5%</td>
</tr>
<tr>
<td>FY2012</td>
<td>18.5% - 19.0%</td>
</tr>
</tbody>
</table>

Government & Defense Services

AAR
Long-Term Drivers

- Leading provider of expeditionary airlift in austere environments
- World class supply chain management capabilities
- Businesses operate under long-term government contracts
- Ongoing need for governments to reduce operating costs via third party providers
- Industry leader in flight safety and regulatory compliance

Government & Defense Services
Structures & Systems

Terry Stinson
Group Vice President
Terry Stinson
Group Vice President, Structures & Systems

► Leads AAR’s Mobility Systems, Precision Systems and Cargo Systems businesses

► Joined AAR CORP. in 2007

► An Aerospace industry veteran
  • Chairman and Chief Executive Officer of Bell Helicopter Textron Inc.
  • President and Chief Executive Officer of Hamilton Standard, a UTC division

► Fully qualified fixed wing and helicopter pilot and is certified to fly all commercial products manufactured by Bell Helicopter

► Several awards from U.S. Air Force Reserve and National Guard

► Education
  • Degree in Industrial Management from Georgia Institute of Technology
Three major businesses

Manufacture broad spectrum of products with a diverse customer base

Growth opportunities in Commercial & International markets

12 facilities in 7 States

Over 1,600 employees

**Key Program Wins**

- **Mobility Systems**
  - Over $195M in new business

- **Precision Systems**
  - Spirit – Parts & Assemblies
  - Lockheed – F-35 Composite & Machined parts
  - Bombardier – C-Series Machined parts

- **Cargo Systems**
  - Freighter Conversions – B767, A300 & A310
  - C-130 Cargo Systems – 24 systems
  - CH-47 Helicopter Cargo Systems – 15 systems
FY2012

*Remain Focused on 6 Strategic Initiatives*

1. Build **balance** across business units
2. Develop closer **relationships** with customers and win larger program work
3. Road towards **Tier I Supplier** with more proprietary content & “end to end” solutions
4. Drive cost reductions through **operational improvements** & leveraging synergies across operating units
5. Invest in **new technologies & products**
6. Strategic **growth**
Key Programs Help Balance Market Dynamics

Key Programs
- Spirit Programs
- C-Series
- S-92
- Gulfstream G650
- A400M
- C-X
- Mobility International Products

Key Programs are also aligned with Strategic Initiatives
- Balance - commercial, military, Int'l
- Stronger customer relationships
- Tier I opportunities
- Product cost reductions
- New products
- Strategic growth

Structures & Systems
Core Capabilities & Products

- Precision machining & fabrication of aerospace alloys
  - Structural Sheet Metal & Components
  - Helicopter Components & Assemblies
  - Missile System Components & Assemblies
- Design, develop & manufacture complex composite structures
  - Integrated Fuselage Assemblies
  - Composite Aircraft Interiors & Systems

Key Customers

<table>
<thead>
<tr>
<th>Defense Market</th>
<th>Lockheed Martin</th>
<th>Northrop Grumman</th>
<th>Raytheon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Market</td>
<td>Spirit, Boeing, Bombardier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Aviation</td>
<td>Gulfstream</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotary-wing Aircraft</td>
<td>Sikorsky</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

New Platforms/Customers

- **S-92** – Composite Interiors & Machined Flooring Assemblies
  (FY2011 – FY2020)
- **G-650** – Composite Interiors, Machined Components & Assemblies
  (FY2011 – FY2025)
- **C-Series** – Composite Flap Track Fairings & Machined Components
  (FY2012 – FY2030)
- **737, 747, 767, 777, 787** Composite, Machined Components & Major Assemblies
  (FY2011 – FY2020+)
- **F-35** – Composite & Machined Components
  (FY2012 – FY2017)
Cargo Systems

- Cargo Handling Systems for military & commercial aircraft
- Well positioned on major military programs
  - A400M – 200+ Aircraft
  - C-X – 30+ Aircraft
  - C-130 – 30+ new Aircraft & retrofits
  - C-27J – 75+ Aircraft
  - CH-47 – 25+ Aircraft
- Evaluating opportunities to capitalize on Commercial market growth

Estimated Market Size - M$'s

CAGR 7% 5% 15%

Note: Market Size does not include aftermarket. Data Source: AAR estimate
April 2011 - 7 launch customer nations confirmed their continued support for the A400M Program

- Flight Test Program has over 2,100 flight hours

**A400M Cargo Loading/Unloading Features**

Optimized for single-person operation:
- On-board crane
- Powered winches
- Kneeling undercarriage
- Cross-loading from ramp with extendable toes
Mobility Systems

- Rapid deployment equipment to aid the mobilization of troops, gear and specialized workspaces:
  - Shelters, pallets, containers and services
  - Leadership position across product lines
  - State of the art manufacturing capabilities
  - Focused on strategic growth
    - Services
    - Commercial & International Markets
    - Downstream Integration

Manufacturing Innovation Creates Product Differentiation in the Market

Friction Stir Welding

Robotic Weld Cell

Structures & Systems
Services Business
- Focused on Aftermarket
  - Maintenance, Repair & Overhaul
  - Technical & Logistic Services
  - Training
  - Program/Project Management

Leverage our strong market position & manufacturing capabilities to expand into new areas

Expand Global Presence
- Middle East Market
  - Strong Defense Budgets
  - Critical National Infrastructure – border security
  - Complimentary Services

Commercial Market
- Encampments – rapid deployment
  - Aid Missions
  - Temporary Hospitals
  - Maintenance Workshops

Downstream Integration
- Value Added – $’s
  - + Electronics
  - + Wiring
  - + Racks
  - Shelter

Mobility Systems – Growth Strategy

AAR Structures & Systems
Financial Trends

Q1 Performance

- Lower revenue due to completion of several contracts at Mobility Systems in FY11
- Ramp-up of FMTV Program at Mobility Systems
- New program launches at Precision Systems

   Revenue = $81.2M  
   Gross Profit = $11.9M (14.7% Margin)

Balance of FY2012

- Revenue expected to increase in Q2 - Q4
- Realization of cost reduction initiatives
- Phase-in of new program launches

   Revenue = $300M - $320M  
   Gross Profit = 15% - 17%

Financial Results

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
<td>$339</td>
</tr>
<tr>
<td>FY2009</td>
<td>$433</td>
</tr>
<tr>
<td>FY2010</td>
<td>$450</td>
</tr>
<tr>
<td>FY2011</td>
<td>$375</td>
</tr>
</tbody>
</table>

Outlook

- FY2012 Outlook: $380 - $400M

Gross Profit Margin %

- FY2008: 14.1%
- FY2009: 15.4%
- FY2010: 20.6%
- FY2011: 18.5%
- FY2012 Outlook: 16.5% - 16.9%
Long-Term Drivers

- Market leader in Mobility products to governments world-wide
- Strong commercial OEM build cycle and increased reliance on third party manufacturing
- Transition to Tier 1 Supplier with increased value added content (e.g., Spirit)
- Key systems provider to the A400M program
Operational Review

Tim Romenesko
President and Chief Operating Officer
Timothy Romenesko
President and Chief Operating Officer

- Responsible for maximizing the performance of AAR’s operating units and implementing the Company’s strategies for growth
- Joined AAR CORP. in 1981
- Named Vice President and Chief Financial Officer in 1994
- Named President and Chief Operating Officer in 2007
- Elected to AAR CORP. Board of Directors in 2007

Education
- BA from St. Norbert College
- MBA from DePaul University
- Holds a CPA designation in Illinois and is a member of the Financial Executives Institute and the Illinois CPA Society
- Kellogg School of Business CEO Perspectives
Key Operational Initiatives

- Significant new business wins
- Robust deal flow
- Continued investments in company-wide quality systems
- Steady progress in FY11; setback in Q1
- Total SG&A flat YOY on 18.5% increase in sales
- Strong balance sheet and liquidity position
- Focused on cash generation from recent investments

Activities are becoming an embedded part of AAR's management system.
Operational Focus – Capture

Recent Wins

- Distribution agreement for electrical components
- Valued at approximately $600M over 10 years
- JT8D and CF6-80A parts support
- Engineering integration program
- HMV and modifications for MD-90 and 737
- Pinnacle CRJ award
- $100M+ contract over 10 years
- Work covers 737, 767, 777, 747 and 787 airframes
- TRANSCOM renewal and award of 3 new aircraft worth $240M over 4 years ($56M incremental)
- U.S. Navy Vertrep renewal worth $77M over 5 years

Capture Strategy

- Leverage current relationships/cross-selling
- Develop new customer relationships
- Develop new value-added products and capabilities
- Enter new markets and international growth

6,700 employees at over 60 locations in 13 countries
Well diversified customer base
Operational Focus – Cost

► Q1 SG&A flat YOY on higher sales
► Leveraging customer touch points
► Driving productivity gains
► Strategic sourcing and consolidation of repair spend
► Leveraging technology to improve efficiency

Achieved targeted SG&A <10% of sales
Operational Focus – Cash

- Over $325M in operating cash flow during past three fiscal years
- Q1 investments to support future sales:
  - Unison relationship
  - Mobility inventory supporting Q2-Q4 growth
  - Supply chain assets
  - A400M program
- Well positioned to generate positive cash flow over the year

Cash Flow from Operations

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>(25.6)</td>
<td>64.5</td>
<td>153.2</td>
<td>108.6</td>
</tr>
</tbody>
</table>

Continue to focus businesses on converting assets to cash
Operational Focus – Margin

Consolidated Operating Margin Bridge

Driving margin improvement for balance of fiscal year

Q1FY11 Q2FY11 Q3FY11 Q4FY11 Supply Chain Structures MRO QDS Q1FY12

7.1% 8.0% 8.2% 0.7% -1.1% -0.5% -0.3% 7.0% 5.0% 6.0% 7.0% 8.0% 9.0%
Margin expansion remains a key operational focus, despite Q1 results

### Top Line Growth

- Sales growth and program wins in Supply Chain
- Higher throughput at MRO centers and additional value-added services
- New contract wins at Airlift

### Operational Efficiency

- **Cost management**
  - Streamline operations; Lean programs at Landing Gear, ACS and Supply Chain
  - Strategic sourcing and repair spend optimization
- **Improved operations**
  - Continuous improvement in fleet performance at Airlift
  - Execution in MRO and manufacturing
  - Performance improvement initiatives
Operational Focus – Quality

Drive Quality in Everything We Do

Process Improvements and Lean Initiatives
- “One-MRO”
- Increase first-time quality
- Goals:
  - Lower span times in maintenance shops
  - Higher throughput in manufacturing facilities
  - Improved aircraft uptime in flying and flight support operations
  - Lower cost of re-work

Training and Technology
- Launched APRiSe, an internally developed performance reporting system
- FAA Diamond Award for 6th consecutive year
- Implementing new ERP system at Airlift

Focus on Safety and Compliance
- MRO Quality Action Teams
- External compliance reviews and cross divisional audits
- Continuous improvement programs and teams
- Enhanced quality leadership team across organization

Goal is to be our customers’ highest quality supplier
Operational Focus

Capture
Cost
Quality
Cash
Margin

Continuing to drive performance in each key area
Financial Highlights

Rick Poulton
Vice President, Chief Financial Officer and Treasurer
Rick Poulton
Vice President, Chief Financial Officer and Treasurer

▶ Appointed Chief Financial Officer and Treasurer in June 2007
▶ Joined AAR CORP. in 2006
  • Responsible for strategic development
▶ Previous 12 years with UAL Corp. and United Airlines
  • Senior Vice President Business Development
  • Senior Vice President Strategic Sourcing
  • President and Chief Financial Officer of UAL Loyalty Services
  • Director of Financial Planning and Director of Financial Accounting
▶ Previously served on the Boards of Alliant Credit Union, Airliance Materials, Skytech Solutions and BELAC
▶ Education
  • BS in accounting, with honors, from Marquette University
  • Masters degree, with concentrations in strategy and finance, from Northwestern University’s Kellogg Graduate School of Management
  • Kellogg School of Business CEO Perspectives
Key Financial Highlights

- Near-term visibility solid
- Diverse revenue stream with consistent value proposition
- Strong balance sheet with low leverage
- Outlook for the year
Trading businesses had strong 1st quarter
Inventory positions should support performance over the remainder of the year

Near-Term Visibility

Aviation Supply Chain
- Trading businesses had strong 1st quarter
- Inventory positions should support performance over the remainder of the year

Maintenance, Repair & Overhaul
- 3.8 million man hour plan largely sold

Government & Defense Services
- Substantially all the fleet renewed through competitive re-bids

Structures & Systems
- FMTV production funded and scheduled to ramp throughout the year
Diversified Revenue Stream

All businesses drive to lower costs of materials, material handling, and services for their end customers.
Strong Balance Sheet with Low Leverage

**Net Debt / EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.7x</td>
<td>1.5x</td>
<td>2.0x</td>
<td>1.8x</td>
</tr>
</tbody>
</table>

**Total Debt / Total Capitalization**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>60%</td>
<td>64%</td>
<td>63%</td>
<td>65%</td>
</tr>
<tr>
<td>Debt</td>
<td>40%</td>
<td>36%</td>
<td>37%</td>
<td>35%</td>
</tr>
</tbody>
</table>

TTM is for the twelve months ending August 31, 2011.

(1) Pro Forma EBITDA for full year Airlift in FY 2011.
(2) TTM is for the twelve months ending August 31, 2011.
# FY2012 Outlook

<table>
<thead>
<tr>
<th>FY2012 Range</th>
<th>FY2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,885M - 1,965M</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>220M - 240M</td>
</tr>
<tr>
<td><strong>EPS from Continuing Ops</strong></td>
<td>$1.85 - $2.05</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>40M - 65M</td>
</tr>
</tbody>
</table>

* FY2011 pro-forma to exclude the impact of three unusual items in Q4; aggregate $0.06 impact.
Non-GAAP Disclosure Reconciliation

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 EBITDA on a non-GAAP basis. The Company believes the non-GAAP EBITDA and ratios using EBITDA are used by banks, debt holders and investors as important measures of the Company’s performance and ability to service debt obligations.

($ millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Debt</td>
<td>$425,344</td>
<td>$391,809</td>
<td>$437,024</td>
<td>$443,877</td>
<td>$493,845</td>
</tr>
<tr>
<td>Cash</td>
<td>109,361</td>
<td>112,505</td>
<td>79,370</td>
<td>57,433</td>
<td>35,523</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$315,953</td>
<td>$279,304</td>
<td>$357,654</td>
<td>$386,444</td>
<td>$458,322</td>
</tr>
<tr>
<td>Operating income</td>
<td>137,675</td>
<td>106,612</td>
<td>93,769</td>
<td>138,727</td>
<td>143,255</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>39,613</td>
<td>40,094</td>
<td>38,930</td>
<td>59,296</td>
<td>61,628</td>
</tr>
<tr>
<td>Amortization of Restricted Stock Awards and Options</td>
<td>6,408</td>
<td>6,216</td>
<td>9,335</td>
<td>12,853</td>
<td>12,847</td>
</tr>
<tr>
<td>Impairment Charge</td>
<td>0</td>
<td>31,133</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Airlift ProForma Additions</td>
<td>0</td>
<td>0</td>
<td>35,417</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$183,696</td>
<td>$184,055</td>
<td>$177,451</td>
<td>$210,876</td>
<td>$217,730</td>
</tr>
</tbody>
</table>

Net Debt/EBITDA 1.7 1.5 2.0 1.8 2.1

<table>
<thead>
<tr>
<th></th>
<th></th>
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<td>391,809</td>
<td>437,024</td>
<td>443,877</td>
<td>493,845</td>
</tr>
<tr>
<td>Equity</td>
<td>650,867</td>
<td>696,734</td>
<td>746,350</td>
<td>835,289</td>
<td>848,933</td>
</tr>
<tr>
<td>Total Capitalization</td>
<td>1,076,211</td>
<td>1,088,543</td>
<td>1,183,374</td>
<td>1,279,166</td>
<td>1,342,778</td>
</tr>
</tbody>
</table>

Debt % 40% 36% 37% 35% 37%
Equity % 60% 64% 63% 65% 63%

1 TTM represents September 1, 2010 through August 31, 2011. Debt and Cash amounts are as of August 31, 2011.