

FIRST AVIATION ANNOUNCES RECORD REVENUE AND GROSS PROFIT
FOR THE FISCAL YEAR ENDED JANUARY 31, 2005

WESTPORT, CONNECTICUT, May 4, 2005 – 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 full year ended January 31, 2005 of \$124.2 million, an increase of \$18.5 million or 17.5% over prior years revenues. Record gross profit of \$20.7 million for the year represents an increase of 6.1% over the year ended January 31, 2004. Net loss was (\$2.2) million or (\$0.31) per share for the full year ended January 31, 2005, compared to net income of \$11,000 or \$0.00 per share for the prior year. For the year ended January 31, 2005, the Company experienced higher expenses and charges, primarily due to changes in operations initiated by management that are not anticipated to recur.

Selling, general and administrative expenses increased 17.3% or \$2.9 million for the year ended January 31, 2005 over the prior year. This was primarily due to increased selling expenses related to higher sales, expenses for severance and relocation incurred to strengthen the management team, and costs incurred to prepare the facilities and IT systems for a new customer initiative. For the year ended January 31, 2005, corporate expenses increased \$268,000 due principally to legal expenses relating to updating corporate governance policies under new SEC and NASDAQ rules and responding to a dissident shareholder's proxy contest for the 2004 annual meeting. These corporate costs were offset by reduced expenses in other categories.

For the three months and year ended January 31, 2005, net sales of \$30.9 million, were \$3.8 million, or 13.9% over that reported in the prior year quarter, and gross profit of \$5.0 million increased \$242,000, or 5.1% over the quarter ended January 31, 2004. During the fourth quarter ended January 31, 2005, the company benefited from an increase in flight activity, and a better "customer focused" sales efforts.

Mr. Michael Culver, President and CEO of First Aviation, said: "Improvements to business processes and our management team are taking hold, and we believe have helped us increase market share."

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, the loss of the use of facilities and distribution hub in Memphis, significant failure of our computer systems or networks, efforts to comply with section 404 of the Sarbanes-Oxley Act of 2002, and other items that are beyond the Company's control and 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", and elsewhere in the Company's Annual Report on Form 10-K for the year ended January 31, 2005, and the various factors described in this release. The Company undertakes no obligation to update any forward-looking statements or cautionary factors.

#

**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,	
	2005 <u>(unaudited)</u>	2004	2005 *	2004 *
Net sales	\$ 30,912	\$ 27,138	\$ 124,249	\$ 105,777
Cost of sales	<u>25,921</u>	<u>22,390</u>	<u>103,525</u>	<u>86,241</u>
Gross profit	4,991	4,748	20,724	19,536
Selling, general and administrative expenses	5,279	4,165	19,973	17,032
Corporate expenses	<u>516</u>	<u>465</u>	<u>2,893</u>	<u>2,625</u>
Income (loss) from operations	(804)	118	(2,142)	(121)
Net interest income and other	(26)	3	76	149
Minority interest in subsidiary	<u>(11)</u>	<u>(10)</u>	<u>(42)</u>	<u>(42)</u>
Income (loss) before income taxes	(841)	111	(2,108)	(14)
Benefit (provision) for income taxes	<u>(15)</u>	<u>(17)</u>	<u>(121)</u>	<u>25</u>
Income (loss) before cumulative effect of accounting change	(856)	94	(2,229)	11
Cumulative effect of accounting change, net of benefit for income taxes of \$922	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ (856)</u>	<u>\$ 94</u>	<u>\$ (2,229)</u>	<u>\$ 11</u>
<i>Basic net income (loss) per share, and net income (loss) per share - assuming dilution:</i>				
Basic net income (loss) per share, and net income (loss) per share - assuming dilution	<u>\$ (0.12)</u>	<u>\$ 0.01</u>	<u>\$ (0.31)</u>	<u>\$ -</u>
Weighted average shares outstanding - basic	<u>7,313,725</u>	<u>7,282,488</u>	<u>7,301,751</u>	<u>7,267,368</u>
Weighted average shares outstanding - assuming dilution	<u>7,313,725</u>	<u>7,300,567</u>	<u>7,301,751</u>	<u>7,281,598</u>

* Amounts derived from the audited statement of operations as of January 31, 2005 and 2004, respectively.

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

	January 31, 2005	January 31, 2004
	*	*
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,584	\$ 25,144
Trade receivables, net of allowance for doubtful accounts of \$1,418 and \$1,656, respectively	14,563	13,499
Inventory, net of allowance for obsolete and slow moving inventory of \$1,013 and \$997, respectively	24,156	22,344
Prepaid expenses and other	900	1,032
Total current assets	62,203	62,019
Plant and equipment, net	2,996	2,963
	\$ 65,199	\$ 64,982
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 10,495	\$ 9,561
Accrued compensation and related expenses, and other accrued liabilities	3,629	2,376
Income taxes payable	900	939
Total current liabilities	15,024	12,876
Revolving line of credit	14,500	14,500
Minority interest in subsidiary	1,041	1,041
Total liabilities	30,565	28,417
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized, 7,321,508 and 7,284,093 shares outstanding	91	91
Additional paid-in capital	38,318	38,375
Retained earnings	5,325	7,554
Accumulated other comprehensive income	374	238
	44,108	46,258
Less: Treasury stock, at cost	(9,474)	(9,693)
Total stockholders' equity	34,634	36,565
Total liabilities and stockholders' equity	\$ 65,199	\$ 64,982

* Balances were derived from the audited balance sheets as of January 31, 2005 and 2004, respectively.