

**FIRST AVIATION ANNOUNCES RECORD REVENUES AND GROSS PROFITS
ON STRONG MARGINS**

WESTPORT, CONNECTICUT, September 5, 2000 — First Aviation Services Inc. (NASDAQ: FAVS), a leading provider of services to the aerospace industry worldwide, today announced record quarterly sales of \$23.4 million and record gross profit of \$4.7 million. Gross margin increased to 20.2% versus 18.3% for the second quarter of last fiscal year.

Net sales increased 16.5% for the quarter ended July 31, 2000, over \$20.1 million for the second quarter of the prior year. Gross profit for the quarter increased 28.4% from \$3.7 million reported in the prior year.

Mr. Michael C. Culver, President and CEO of First Aviation Services, noted that Increased revenues from logistic services, general aviation, Canadian operations and API Technologies contributed to the record results in sales and gross profit. This is our fourteenth consecutive quarter of year over year sales growth. We are growing the business by investing in Asia, Europe and our e-commerce initiative, AeroV. Gross margin exceeded 20% and earnings from our established businesses were excellent.

The Company's net loss for the quarter ended July 31, 2000 was \$0.05 per share compared to a net loss from continuing operations of \$0.01 per share for the same period of the prior fiscal year.

Start-up expenses incurred in connection with the Company's Asia Pacific and European operations, as well as the Company's e-commerce initiative impacted net income. In addition, during the second quarter the Company incurred legal fees for litigation previously initiated by the Company involving copyright infringement and insurance reimbursement. Without these expenses the Company estimates that net income for the quarter would have been \$0.02 per share, an improvement of \$0.03 per share over the same quarter of the prior fiscal year.

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For the six months ended July 31, 2000, net sales increased to \$45.2 million, an 18.6% increase over the \$38.1 million reported for the comparable period of the prior year. Gross profit over the same time period increased 23.6% to \$9.0 million from \$7.3 million, while gross margin increased to 19.8% from 19.0%.

The Company's net loss for the six months ended July 31, 2000 was \$0.06 per share compared to a net loss from continuing operations of \$0.05 per share for the same period of the prior fiscal year. Without the Asia Pacific, European and e-commerce start up expenses described above, as well as the increased legal expenses, the Company estimates that its net income for the six months ended July 31, 2000 would have been \$0.04 per share, an improvement of \$0.09 per share over the same period of the last fiscal year.

Results of operations for the three and six months ended July 31, 1999 have been restated in order to reflect the disposition of a former subsidiary.

Mr. Aaron P. Hollander, Chairman, added, "We are especially pleased with the progress of AeroV, our e-commerce initiative. Several significant milestones were achieved during the quarter. We believe that the AeroV platform is truly unique among the e-commerce business solutions existing today, and it is the only transaction engine dedicated to aerospace that is operational. In addition, ARINC has completed its previously announced equity interest in AeroV, and is providing a variety of services to AeroV on an exclusive basis.

AeroV has achieved connectivity between the internet and Spec 2000, which is the standard used by over 700 aviation industry companies including the world's airlines, larger service providers and government agencies. This solution enables suppliers who are not using Spec 2000 systems to communicate over the web with the world's airlines' legacy systems.

ARINC is a global aerospace communications provider. Its network serves the procurement requirements of several hundred airlines and aerospace companies, providing immediate access to over 700 aviation industry companies, trading partners, service providers and government agencies worldwide.

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

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 logistics 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 global partners throughout the world, API continues to be the fastest growing supplier of aviation products and inventory management solutions in the industry. AeroV, based in Westport, Connecticut, is a mission-critical procurement platform developed exclusively for the aerospace industry that delivers value to every user, providing a practical tool for capturing the benefits of e-commerce without disrupting current business practices and processes. The AeroV System integrates with legacy systems, giving every company the ability to communicate using full SPEC 2000 and ANSI X.12 messaging without costly set-up fees or downtime.

The Company will host a conference call to discuss second quarter earnings on Wednesday, September 6, 2000 at 10:00 am EST. Interested parties should call 1 (800) 865-4435 before 9:45 am EST on September 6, 2000.

More information about First Aviation can be found on the World Wide Web at <http://www.firstaviation.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 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.

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(See attached financial information)

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First Aviation Services Inc.

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

	Three Months Ended July 31,		Six Months Ended July 31,	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Net sales	\$ 23,410	\$ 20,089	\$ 45,228	\$ 38,122
Cost of sales	<u>18,685</u>	<u>16,408</u>	<u>36,260</u>	<u>30,869</u>
Gross profit	4,725	3,681	8,968	7,253
Selling, general and administrative expenses	4,414	3,348	8,428	6,576
E-commerce initiative	<u>441</u>	<u>-</u>	<u>636</u>	<u>-</u>
Operating income before corporate expenses	(130)	333	(96)	677
Corporate expenses	<u>829</u>	<u>567</u>	<u>1,576</u>	<u>1,202</u>
Operating loss from continuing operations	(959)	(234)	(1,672)	(525)
Interest income	540	-	1,242	-
Interest expense and other	<u>(184)</u>	<u>(166)</u>	<u>(365)</u>	<u>(320)</u>
Loss before benefit for income taxes	(603)	(400)	(795)	(845)
Benefit for income taxes	<u>241</u>	<u>293</u>	<u>318</u>	<u>338</u>
Net loss from continuing operations	(362)	(107)	(477)	(507)
Net income from discontinued operation, net of provision for income taxes of \$453, and \$645, for the three and six months ended July 31, 1999, respectively.	<u>-</u>	<u>1,553</u>	<u>-</u>	<u>3,281</u>
Net income (loss)	<u>\$ (362)</u>	<u>\$ 1,446</u>	<u>\$ (477)</u>	<u>\$ 2,774</u>
<i>Basic net income (loss) per common share:</i>				
Basic net loss from continuing operations per common share	\$ (0.05)	\$ (0.01)	\$ (0.06)	\$ (0.05)
Basic income from discontinued operation per common share	<u>-</u>	<u>0.17</u>	<u>-</u>	<u>0.36</u>
Basic net income (loss) per common share	<u>\$ (0.05)</u>	<u>\$ 0.16</u>	<u>\$ (0.06)</u>	<u>\$ (0.31)</u>
Shares used in computation of net income (loss) per common share	<u>7,682,082</u>	<u>9,007,652</u>	<u>7,833,311</u>	<u>9,004,821</u>
<i>Net income (loss) per share — assuming dilution:</i>				
Net loss from continuing operations per common share — assuming dilution	\$ (0.05)	\$ (0.01)	\$ (0.06)	\$ (0.05)
Net income from discontinued operation per common share — assuming dilution	<u>-</u>	<u>0.17</u>	<u>-</u>	<u>0.36</u>
Net income (loss) per common share — assuming dilution	<u>\$ (0.05)</u>	<u>\$ 0.16</u>	<u>\$ (0.06)</u>	<u>\$ 0.31</u>
Shares used in computation of net income (loss) per common share — assuming dilution	<u>7,682,082</u>	<u>9,007,652</u>	<u>7,833,311</u>	<u>9,004,821</u>

First Aviation Services Inc.

Consolidated Condensed Balance Sheets
(in thousands)

	July 31, 2000 <i>(unaudited)</i>	January 31, 2000 *
Assets		
Current assets:		
Cash and cash equivalents	\$ 34,377	\$ 50,104
Trade receivables, net	15,963	13,810
Inventories	20,599	14,142
Deferred income taxes, prepaid expenses and other	3,026	2,582
Total current assets	<u>73,965</u>	<u>80,638</u>
Plant and equipment, net	6,392	3,980
Goodwill, net	<u>1,741</u>	<u>1,774</u>
Total assets	<u><u>\$ 82,098</u></u>	<u><u>\$ 86,392</u></u>
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 13,265	\$ 8,264
Other accrued liabilities	2,930	7,908
Income taxes payable	1,365	6,858
Revolving line of credit and current portion of obligations under capital leases	11,758	163
Total current liabilities	<u>29,318</u>	<u>23,193</u>
Revolving line of credit	-	7,900
Minority interest	1,041	1,041
Obligations under capital leases	282	115
Total liabilities	<u>30,641</u>	<u>32,249</u>
Stockholders equity:		
Common stock	91	91
Additional paid-in capital	38,673	38,615
Retained earnings	20,829	21,306
Treasury stock	<u>(8,136)</u>	<u>(5,869)</u>
Total equity	<u>51,457</u>	<u>54,143</u>
	<u><u>\$ 82,098</u></u>	<u><u>\$ 86,392</u></u>

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

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