

**FIRST AVIATION SERVICES ANNOUNCES SPECIAL CASH DIVIDEND
OF \$1.00 PER SHARE**

WESTPORT, CONNECTICUT – January 6, 2003 – First Aviation Services Inc. (NASDAQ: FAVS) today announced that it will pay a cash dividend of \$1.00 per share. The dividend is payable on January 30, 2003 to stockholders of record on January 17, 2003.

Commenting on the announcement, Mr. Aaron P. Hollander, Chairman of the Board of Directors of First Aviation, said “This is a chance to give something back to our shareholders, some of whom have been with us since First Aviation went public in 1997. With \$4.78 per share in cash as of the end of the third quarter, we have one of the strongest balance sheets in the industry, and will continue to do so with over \$27 million of cash after the payment of the dividend. In addition, over the first three quarters of our current fiscal year we generated approximately \$5 million of cash flow from operations. We are pleased to provide this return to our investors while at the same time maintaining a strong financial position for the future”.

About First Aviation

First Aviation, located in Westport, Connecticut is a worldwide leader in providing aerospace products and services to aircraft operators of some of the most widely used commercial and general aviation aircraft. Its operations include Aerospace Products International, Inc. (“API”), based in Memphis, Tennessee. In addition to the product lines it distributes, API offers overhaul and repair services for brakes and starter/generators, and builds custom hose assemblies. API also is a leading provider of supply chain management and customized third party logistics services and technology solutions, including inventory management services, to the aerospace industry worldwide. With locations in the U.S., Canada and Asia Pacific, plus partners throughout the world, API continues to be one of the premier suppliers 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.firstaviation.com> and, <http://www.apiparts.com>.

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