

**PRESS RELEASE**

Contact: John J. Gioffre  
Chief Financial Officer  
3524 Airport Road  
Maiden, NC 28650  
(828) 464-8741

**FOR IMMEDIATE RELEASE**

**Air T, Inc. Announces Appointment to Audit Committee**

MAIDEN, N.C., January 26, 2005 -- Air T, Inc. (Nasdaq Small Cap:AIRT) announced that George C. Prill, an incumbent, independent member of Air T's Board of Directors, has been appointed to its Audit Committee to fill the vacancy on that committee resulting from the retirement of Herman A. Moore from the Board of Directors on December 31, 2004. As a result of Mr. Prill's appointment to the Audit Committee, Air T has regained compliance with Nasdaq Marketplace Rule 4350(d) requiring the Audit Committee to be comprised of at least three independent directors. Air T had received notice from Nasdaq on January 20, 2005 that it was not then in compliance with that requirement.

Air T also announced that it has advised Nasdaq that, as a result of Mr. Moore's retirement from the Board of Directors, the independent members of the Board of Directors no longer comprise a majority of the Board as required by Nasdaq Marketplace Rule 4350(c)(1). Under applicable Nasdaq rules, Air T will be required to regain compliance with this requirement by the earlier of December 31, 2005 or the date of its next annual meeting of stockholders. Annual stockholders meetings historically have been held in August or September. Air T has advised Nasdaq that it intends to cause independent directors to again comprise a majority of its Board of Directors prior to this deadline. This can be accomplished by the resignation of any of the four members of the Board of Directors who is not an independent director or by the election of an independent director to the Board of Directors to fill Mr. Moore's vacancy. If Air T were unable to comply with this requirement by the deadline for doing so, its common stock would be subject to being delisted from the Nasdaq Small Cap Market.

Air T, through its subsidiaries, provides overnight air freight service to the express delivery industry and, through its Global Ground Support subsidiary, manufactures and services aircraft ground support equipment. Air T is one of the largest small aircraft air cargo operators in the United States and currently operates a fleet of single and twin engine turbo-prop aircraft nightly in the eastern half of the United States and Canada, South America, Puerto Rico and the Virgin Islands.