

June 17, 2005
Contact: John J. Gioffre
Chief Financial Officer
3524 Airport Road
Maiden, NC 28650
(828) 464-8741 Ext. 6677

FOR IMMEDIATE RELEASE

AIR T, INC. REPORTS AUDITED FISCAL 2005 RESULTS

MAIDEN, NC - Air T, Inc. (NASDAQ Small Cap: AIRT) today reported consolidated net earnings of \$2,106,000 (\$0.78 per diluted share) for fiscal 2005, which ended March 31, 2005, compared to \$1,738,000 (\$0.64 per diluted share) for fiscal 2004. Fiscal 2004's net earnings was comprised of \$2,164,000 (\$0.80 per diluted share) in earnings from continuing operations, offset by a \$426,000 ((\$0.16) per diluted share) loss from discontinued operations.

During the second quarter of fiscal 2004, Company management completed its plan to sell certain assets of its Mountain Aircraft Services, LLC (MAS) subsidiary, which the Company had classified as a discontinued operation in fiscal 2003. As detailed in Financial Highlights below, the Company's financial statements reflect the results of MAS as a discontinued operation in 2004. Earnings from continuing operations in fiscal 2005 include approximately \$97,000 of residual cost related to the remaining MAS parts inventory to be sold on consignment and cost of MAS leased facilities that the Company has been unable to sublease.

The Company's subsidiaries operate in two business segments, Mountain Air Cargo, Inc. (MAC) and CSA Air, Inc. (CSA) provide overnight air cargo services to the air express delivery sector and Global Ground Support, LLC (Global) manufactures, sells and services aviation and other specialized ground support equipment products to passenger and cargo airlines, the U.S. Government, airports and commercial customers.

Consolidated revenues from continuing operations increased \$14,003,000 (25.0%) to \$69,999,000 for the fiscal year ended March 31, 2005 compared to the prior fiscal year. The increase in 2005 revenue primarily resulted from an increase in Global revenue of \$8,858,000 (44.7%) to \$28,687,000, combined with a \$5,144,000 (14.2%) increase in air cargo revenue to \$41,312,000 in fiscal 2005.

In the fiscal year ended March 31, 2005, Global had pro forma operating income of \$3,110,000, a \$1,070,000 increase compared to Global's operating income for the prior fiscal year. Global's current fiscal year pro forma operating income increase was primarily due to higher levels of military and commercial equipment orders. Pro forma operating income for the Company's overnight air cargo operations was \$2,998,000 for fiscal 2005, a decrease of \$991,000 compared to the segment's operating income for the prior fiscal year. The net decrease in air cargo operating income was due to a combination of temporarily decreased administrative fees which resulted from delays in the introduction by the segment's sole customer of replacement ATR aircraft, undergoing conversion to cargo configuration, as older cargo aircraft were phased out of service, and higher levels of current period administrative costs as additional staffing was put in place to oversee the phase-in and operations of the newer aircraft.

Walter Clark, Chairman and Chief Executive Officer of the Company, commented, "Fiscal 2005 was another strong year for continuing operations. Management's strategy of diversifying revenue sources has helped maintain fiscal 2005 earnings from continuing operations. The reduction in operating earnings from air cargo operations was offset by an increase in the equipment-manufacturing segment. The current fiscal year should see improvement in the air cargo segment's operating income as Mountain Air Cargo brings additional ATR aircraft into revenue service. Air T continues to have strong relationships with its core customers. We are continually looking for opportunities to provide additional services and equipment to our current and prospective business partners."

AirT, through its subsidiaries, provides overnight air freight service to the express delivery industry and manufactures and services aviation and other specialized equipment. AirT 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, South America, Puerto Rico and the Caribbean Islands.

Statements in this press release, which contain more than historical information may be considered forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) which are subject to risks and uncertainties. Actual results may differ materially from those expressed in the forward-looking statements because of important potential risks and uncertainties, including but not limited to the risk that contracts with major customers will be terminated or not extended, continued delay in the introduction of newer ATR replacement aircraft in the Company's air cargo operations, future economic conditions, inflation rates, competition, changes in technology or government regulation, and the impact of future terrorist activities in the United States and abroad. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. We are under no obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

FINANCIAL HIGHLIGHTS
(In thousands, except per share data)

	Fiscal Year Ended	
	3/31/2005	3/31/2004
Continuing Operations Revenue	\$ 69,999	\$ 55,997
Earnings from Continuing Operations	\$ 2,106	\$ 2,164
Loss from Discontinued Operations	-	(426)
Net Earnings	\$ 2,106	\$ 1,738
Diluted Earnings Per Share		
Continuing Operations	\$ 0.78	\$ 0.80
Discontinued Operations	-	(0.16)
Total Diluted Net Earnings Per Share	\$ 0.78	\$ 0.64
Average Common Shares Outstanding	2,693	2,728

The Company's audited consolidated financial statements at and for the year ended March 31, 2005 are included in its Annual Report on Form 10-K filed earlier today with the Securities and Exchange Commission. For fiscal 2005, the Company's allocation of corporate administrative costs was included in segment operating expense, while such costs were included as corporate costs in prior years. The Company's financial statements include a pro forma presentation of fiscal 2005 segment operating income to reflect allocation of these costs as corporate costs to permit comparability of 2005 segment operating results with prior periods.