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FOR IMMEDIATE RELEASE

AIR T, INC. REPORTS AUDITED FISCAL 2006 RESULTS

MAIDEN, NC - Air T, Inc. (NASDAQ Small Cap: AIRT) today reported audited consolidated net earnings of \$2,055,000 (\$0.77 per diluted share) for fiscal 2006, which ended March 31, 2006, compared to net earnings of \$2,106,000 (\$0.78 per diluted share) for fiscal 2005. Consolidated revenues for fiscal 2006 was \$79,529,000 compared to \$69,999,000 for fiscal 2005.

The consolidated revenues increase of \$9,529,000 (13.6%) to \$79,529,000 in fiscal 2006 primarily resulted from a \$7,394,000 increase in ground equipment revenues related to increases in the number of domestic and international commercial deicer units sold, and a \$2,135,000 increase in air cargo revenues. The air cargo revenues increase was primarily related to increased levels of direct operating costs, passed through to the Company's customer at cost, and increased administrative fees, partially offset by lower maintenance revenues associated with the completion of the conversion of ATR aircraft to cargo use.

The \$51,000 reduction in fiscal 2006's net earnings was primarily the result of \$905,000 in costs associated with efforts by Air T's Global Ground Support (Global) subsidiary to return to service deicing equipment at the Philadelphia Airport. During fiscal 2006, Global incurred \$905,000 in costs, \$557,000 (\$0.21 per share) net of taxes, connected with its efforts to have deicing booms returned to service which amount is included in Global's operating expenses for fiscal 2006.

Walter Clark, Chairman and Chief Executive Officer of the Company, commented, "Expansion of Global's market internationally, particularly in China and Europe, helped fuel the significant growth in its revenues. However, the \$905,000 in costs incurred by Global to repair the eleven deicing booms at the Philadelphia airport obscured its otherwise strong performance in fiscal 2006. We are pursuing litigation to recoup those costs from the party we believe is ultimately responsible. Notwithstanding this adverse impact on 2006 financial results, we believe our decision to act promptly to support our customer and undertake the initial expense of returning those booms to service will benefit our company in the long run."

"The conversion to ATR aircraft of a portion of the aircraft fleet we operate for our air cargo customer is completed. As a result, our administrative fees have returned to amounts more consistent with pre-conversion levels," Mr. Clark continued.

The Company operates in two business segments. Air T, through its subsidiaries, provides overnight air freight service to the express delivery industry, and manufactures, sells and services aircraft ground support and special purpose industrial equipment. Air T is one of the largest, small-aircraft air cargo operators in the United States. Air T's Mountain Air Cargo (MAC) and CSA, Air subsidiaries currently operate 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. MAC has recently transitioned a portion of its customer's aircraft fleet from older Fokker F-27 aircraft to more modern ATR 42/72 aircraft. Air T's Global subsidiary manufactures, services and supports aviation ground support and specialized military and industrial equipment on a worldwide basis.

For a more detailed presentation and discussion of the Company's results of operations and financial condition, please read the Company's Annual Report on Form 10-K for the fiscal year-ended March 31, 2006 filed earlier today with the Securities and Exchange Commission. Copies of the Form 10-K may be accessed on the Internet at the SEC's website, <http://www.sec.gov>.

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, uncertainty regarding the timing of the return to service of the eleventh deicing, uncertainty regarding legal actions against the Company relating to the collapsed boom at the Philadelphia airport and the Company's legal action against the subcontractor that designed, manufactured and warranted the deicing booms initially sold by Global for installation at the Philadelphia airport, the 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	
	3/31/2006	3/31/2005
Operating Revenues	<u>\$ 79,529</u>	<u>\$ 69,999</u>
Net Earnings	<u>\$ 2,055</u>	<u>\$ 2,106</u>
Net Earnings Per Share - Diluted	<u>\$ 0.77</u>	<u>\$ 0.78</u>
Average Weighted Shares Outstanding	<u>2,672</u>	<u>2,693</u>