

August 12, 2008  
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FOR IMMEDIATE RELEASE

AIR T, INC. REPORTS UNAUDITED FIRST QUARTER EARNINGS

MAIDEN, NC - Air T, Inc. (Air T) (NASDAQ: AIRT) today reported consolidated net earnings of \$1,340,000 (\$0.55 per diluted share) for fiscal 2009's first quarter ended June 30, 2008 compared to consolidated net earnings of \$626,000 (\$0.25 per diluted share) for the similar fiscal 2008 period.

Consolidated revenues increased \$6,621,000 (42%) to \$22,417,000 for the quarter ended June 30, 2008 compared to the same quarter in the prior fiscal year. This increase resulted from a \$5,678,000 (78%) increase in ground equipment revenue and a \$943,000 (11%) increase in air cargo revenue. The increase in ground equipment revenue related to a significant increase in the number of deicer units sold to the military, a significant increase in the number of commercial catering trucks sold, as well as additional sales revenue contributed by Global Aviation Services, which started operations in September 2007. The increase in air cargo revenue was attributed to increased maintenance hours, an increase in billable labor rates and increased flight and maintenance costs passed through to its customer at cost.

At June 30, 2008, GGS' backlog was \$21.3 million, compared to \$25.3 million at March 31, 2008 and \$17.8 million at June 30, 2007.

Walter Clark, Chairman and Chief Executive Officer of Air T, commented, "We are pleased to be able to report these outstanding earnings at a time when our industry and economy is facing significant challenges. Our large backlog of military orders at year end has allowed us to increase production in the first quarter and turn that into exceptional first quarter earnings. Certainly there are plenty of challenges ahead, but this quarter has put us on target for another successful year, following our two recent record years."

FINANCIAL HIGHLIGHTS  
(In thousands, except per share data)

	<u>Three Months Ended (Unaudited)</u>	
	<u>06/30/2008</u>	<u>06/30/2007</u>
Operating Revenues	<u>\$ 22,417</u>	<u>\$ 15,796</u>
Net Earnings	<u>\$ 1,340</u>	<u>\$ 626</u>
Net Earnings Per Share - Diluted	<u>\$ 0.55</u>	<u>\$ 0.25</u>
Average Common Shares Outstanding	<u>2,424</u>	<u>2,462</u>

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 and CSA Air subsidiaries currently operate a fleet of single and twin-engine turbo-prop aircraft daily in the eastern half of the United States, Puerto Rico and the Caribbean Islands. Air T's ground support operations, including its Global Ground Support and Global Aviation Services subsidiaries, manufacture and service aviation support and other

specialized military and industrial equipment, in addition to providing airport facilities maintenance. Global Ground Support is one of the largest providers of deicing equipment in the world.

For a more detailed presentation and discussion of the Company's results of operations and financial condition, please read the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 filed earlier today with the Securities and Exchange Commission. Copies of the Form 10-Q 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 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, 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.