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Contact: John Parry
Chief Financial Officer
3524 Airport Road
Maiden, NC 28650
(828) 464-8741 Ext. 6677

FOR IMMEDIATE RELEASE

AIR T, INC. ANNOUNCES BUSINESS EXPANSION

MAIDEN, NC - Air T, Inc. (Air T) (NASDAQ: AIRT) today announced the formation of Global Aviation Services, LLC (GAS), a new wholly owned subsidiary. The formation of GAS is a result of a major expansion of the Ground Support Equipment (GSE) maintenance services business sector of the company. GAS is finalizing a three (3) year maintenance services contract with Northwest Airlines (NWA). Under that arrangement, GAS will be providing ground support equipment services and facility maintenance services at a number of locations, including Memphis, TN, and will initially employ over 50 mechanics.

Walter Clark, Chairman and Chief Executive Officer of the Company, commented, "We look at this expansion as the logical next step in moving our company forward. We are adding a line of business that complements both of our existing lines of business. We are delighted to be entering this arrangement with Northwest Airlines and look forward to a long and mutually rewarding partnership with them."

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, Puerto Rico and the Caribbean Islands. Air T's GSE operations, including its Global Ground Support subsidiary, manufacture and service aviation support and other specialized military and industrial equipment and Global Ground Support is one of the largest providers of deicing equipment in the world.

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 the terms of the final arrangements, if any, with NWA will differ from terms previously discussed, including the scope of services to be provided by GAS, any such contracts may be terminated or not extended, and future economic conditions, inflation rates, competition, changes in technology or government regulation may impact GAS business and operations. 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.