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FOR IMMEDIATE RELEASE

AIR T, INC. REPORTS RECERTIFICATION AND RELATED COSTS OF DEICING BOOMS
AT PHILADELPHIA INTERNATIONAL AIRPORT

MAIDEN, NC - Air T, Inc. (Air T) (NASDAQ: AIRT) announced today that its wholly owned subsidiary Global Ground Support, LLC (Global) has repaired and recertified ten (10) deicing booms at the Philadelphia International Airport. On October 14, 2005, to comply with its Service Agreement with the City of Philadelphia, Global provided to the City test reports, evaluations and inspections performed on the ten reinstalled deicing booms. Repairs are being effected on an additional boom that had been repaired but was damaged in transit by an independent carrier. These repairs are being effected at the carrier's expense.

In February 2005, one of twelve fixed-stand deicing booms sold by Global collapsed while in operation at the Philadelphia airport. An independent structural engineering firm's investigation of the booms, which were designed, manufactured and warranted by a subcontractor to Global, identified specific design and structural defects. In late June 2005, after the engineering firm's investigation detailed specific design flaws and structural defects in the remaining 11 booms and Global's subcontractor declined to participate in efforts to return the remaining 11 booms to service, Global agreed with the City of Philadelphia to effect specific repairs to the remaining 11 booms. Under this agreement, Global agreed to effect these repairs at its expense and reserved its rights to recover these expenses from any third party ultimately determined to be responsible for defects and flaws in these booms. Global has commenced litigation against the subcontractor that designed, fabricated and warranted the booms to recover these repair expenses and other damages.

In the quarter ended June 30, 2005, Air T incurred expenses of approximately \$123,000 in connection with its efforts to have the booms returned to service and recorded an additional liability of \$250,000, which was the low end of management's range of estimates, for additional costs to effect these repairs. Air T estimates that the total cost to repair and recertify all 11 booms to be \$788,000, which includes the \$373,000 in costs recorded in the June quarter. The total cost includes \$583,000 in direct costs to outside vendors, incurred in the repair of the booms, \$42,000 in outside indirect expenses incurred in investigating the reasons for failure, design modifications and contracts to place the booms back in service and \$163,000 of internal Global costs related to boom repair and recertification. The \$415,000 in expenses in excess of the \$250,000 liability and \$123,000 in expenses recorded in the June quarter will be recorded in the quarter ended September 30, 2005 and will correspondingly reduce Air T's income before taxes for that period.

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.