

August 4, 2010  
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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 \$299,000 (\$0.12 per diluted share) for fiscal 2011's first quarter ended June 30, 2010 compared to consolidated net earnings of \$1,118,000 (\$0.46 per diluted share) for the similar fiscal 2010 period.

Consolidated revenues decreased \$3,925,000 (21%) to \$15,023,000 for the quarter ended June 30, 2010 compared to the same quarter in the prior fiscal year. This decrease resulted principally from a \$4,177,000 (52%) decrease in ground equipment sales revenue offset by marginal increases in the other two operating segments. The decrease in ground equipment sales revenue was the result of having no sales of deicers to the United States Air Force in the first quarter of fiscal 2011. We have subsequently received orders from the Air Force which have increased our backlog and which will be delivered in the remainder of this fiscal year. At June 30, 2010, ground equipment sales backlog was \$8.8 million, compared to \$14.8 million at June 30, 2009 and \$1.4 million at March 31, 2010.

Walter Clark, Chairman and Chief Executive Officer of Air T, commented, "We are less than satisfied with the overall results of our first quarter and we expect to see improvement in the second quarter as a result of the backlog in place at quarter end. We are disappointed with the outcome of the recent Delta contract renewal and the loss of a significant and profitable portion of our Global Aviation Services business. This will have a significant negative impact on that new segment of our business, but we believe we offer a good service and will continue our efforts to expand that business to new customers."

FINANCIAL HIGHLIGHTS  
(In thousands, except per share data)

|                                   | Three Months Ended (Unaudited) |            |
|-----------------------------------|--------------------------------|------------|
|                                   | 06/30/2010                     | 06/30/2009 |
| Operating Revenues                | \$ 15,023                      | \$ 18,948  |
| Net Earnings                      | \$ 299                         | \$ 1,118   |
| Net Earnings Per Share - Diluted  | \$ 0.12                        | \$ 0.46    |
| Average Common Shares Outstanding | 2,496                          | 2,424      |

Air T, through its subsidiaries, provides overnight air freight service to the express delivery industry, manufactures and sells aircraft deicers and other special purpose industrial equipment, and provides ground support equipment and facilities maintenance to airlines. 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 Global Ground Support subsidiary manufactures deicing and other specialized military and industrial equipment and is one of the largest providers of deicers in the world. The Global Aviation Services subsidiary provides ground support equipment and facilities maintenance to domestic airline customers.

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, 2010 filed 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, future economic conditions and their impact on the Company's customers, the timing and amounts of future orders under our recently awarded contract with the United States Air Force, 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.