

FIRST AVIATION ANNOUNCES RECORD SALES AND PROFITS

WESTPORT, CONNECTICUT, September 17, 2001 — First Aviation Services Inc. (NASDAQ: FAVS), a leading provider of services to the aerospace industry worldwide, today announced record revenues for the second quarter of \$27.6 million and record gross profit for the quarter of \$5.7 million.

For the quarter ended July 31, 2001, net sales increased 14.7% from \$24.0 million for the second quarter of the prior year. Gross profit for the quarter increased 6.3% from \$5.4 million reported in the prior year. Operating income, before corporate expenses, more than doubled to \$0.7 million from \$0.3 million in the prior year.

Income from continuing operations for the quarter was \$0.01 per share, as compared to a loss of \$0.01 for the prior year quarter.

During the three months ended July 31, 2001 the Company recorded a credit, net of applicable income taxes, of \$0.7 million, or \$0.10 per share related to the disposal of discontinued operations. The credit is due to the reduction of accruals previously recorded in connection with the disposition of a discontinued operation.

For the first half of the fiscal year ending January 31, 2002 net sales increased 14.6% to \$53.1 million from \$46.4 million reported for the first half of the last fiscal year. Gross profit for the same periods increased 7.8% to \$10.9 million from \$10.1 million reported in the prior year.

Mr. Michael C. Culver, President and CEO of First Aviation Services, noted While we had a record quarter our hearts are with those who lost so much. We are working diligently to determine the effects that last week s tragedies will have on our business.

Mr. Aaron P. Hollander, Chairman of the Board added, Given the uncertainty we face, we are fortunate to have a strong balance sheet with approximately \$33 million of cash. We stand ready to assist our customers in rebuilding our nation s aviation infrastructure.

First Aviation, located in Westport, Connecticut is a worldwide leader in providing services to aircraft operators of some of the most widely used commercial and general aviation aircraft. Its operations include Aerospace Products International Inc. (API).

API, based in Memphis, Tennessee, is a leader in the supply of aerospace products and services worldwide. In addition to the product lines it distributes, API offers supply chain management services, overhaul and repair services for brakes and starter/generators, and builds custom hose assemblies. With locations in the U.S., Canada and Asia Pacific, plus partners throughout the world, API continues to be the fastest growing supplier of aviation products and inventory management solutions in the industry.

The Company will host a conference call to discuss second quarter earnings and recent events at a later date.

More information about First Aviation can be found on the World Wide Web at <http://www.firstaviation.com> and, <http://www.apiparts.com>.

Forward-Looking Statements

Information included in this release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical facts, but rather reflect the Company's current expectations concerning future events and results. Such forward-looking statements, including those concerning the Company's expectations, involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control, that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In evaluating such statements, as well as the future prospects of the Company, specific consideration should be given to various factors, including the outcome or results thereof, which are unknown to management at this time, the Company's ability to obtain parts from its principal suppliers on a timely basis, market and economic conditions, aircraft operators and freight carriers utilized by the Company, the ability to consummate suitable acquisitions, and other items that are beyond the Company's control and may cause actual results to differ from management's expectations.

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(See attached financial information)

First Aviation Services Inc.
Consolidated Condensed Statements of Operations
(in thousands, except share amounts)
(unaudited)

	Three Months		Six Months	
	Ended July 31,		Ended July 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net sales	\$27,564	\$24,039	\$53,136	\$46,374
Cost of sales	<u>21,875</u>	<u>18,685</u>	<u>42,238</u>	<u>36,261</u>
Gross profit	5,689	5,354	10,898	10,113
Selling, general and administrative expenses	<u>4,982</u>	<u>5,043</u>	<u>9,716</u>	<u>9,574</u>
Operating income before corporate expenses	707	311	1,182	539
Corporate expenses	<u>731</u>	<u>829</u>	<u>1,312</u>	<u>1,576</u>
Operating loss from continuing operations	(24)	(518)	(130)	(1,037)
Net interest income and other	113	367	325	898
Minority interest in subsidiary	<u>(11)</u>	<u>(11)</u>	<u>(21)</u>	<u>(21)</u>
Income (loss) before income taxes	78	(162)	174	(160)
(Provision) benefit for income taxes	<u>(8)</u>	<u>91</u>	<u>(17)</u>	<u>102</u>
Income (loss) from continuing operations	70	(71)	157	(58)
Loss from discontinued operations, net of benefit for income taxes of \$150 and \$216, respectively	-	(291)	-	(419)
Income from disposal of subsidiary, net of provision for income taxes of \$405 and \$405, respectively	<u>707</u>	<u>-</u>	<u>707</u>	<u>-</u>
Net income (loss)	<u>\$ 777</u>	<u>\$ (362)</u>	<u>\$ 864</u>	<u>\$ (477)</u>

First Aviation Services Inc.

Consolidated Condensed Statements of Operations (continued)
(in thousands, except share amounts)
(unaudited)

	Three Months		Six Months	
	Ended July 31,		Ended July 31,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
<i>Basic net income (loss) per common share:</i>				
Income (loss) from continuing operations	\$ 0.01	\$ (0.01)	\$ 0.02	\$ (0.01)
Loss from discontinued operations	-	(0.04)	-	(0.05)
Income from disposal of subsidiary	<u>0.10</u>	<u>-</u>	<u>0.10</u>	<u>-</u>
Basic net income (loss) per common share	<u>\$ 0.11</u>	<u>\$ (0.05)</u>	<u>\$ 0.12</u>	<u>\$ (0.06)</u>
Shares used in computation of basic net income (loss) per common share	<u>7,194,419</u>	<u>7,682,082</u>	<u>7,190,502</u>	<u>7,833,311</u>
<i>Net income (loss) per common share - assuming dilution:</i>				
Income (loss) from continuing operations	\$ 0.01	\$ (0.01)	\$ 0.02	\$ (0.01)
Loss from discontinued operations	-	(0.04)	-	(0.05)
Income from disposal of subsidiary	<u>0.10</u>	<u>-</u>	<u>0.10</u>	<u>-</u>
Net income (loss) per common share - assuming dilution	<u>\$ 0.11</u>	<u>\$ (0.05)</u>	<u>\$ 0.12</u>	<u>\$ (0.06)</u>
Shares used in computation of net income (loss) per common share - assuming dilution	<u>7,211,742</u>	<u>7,682,082</u>	<u>7,199,785</u>	<u>7,833,311</u>

First Aviation Services Inc.
Consolidated Condensed Balance Sheets
(in thousands)

	<u>July 31,</u> <u>2001</u>	<u>January 31,</u> <u>2001</u>
	(Unaudited)	*
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,914	\$ 31,855
Trade receivables	16,655	15,860
Inventories	23,112	21,803
Deferred and refundable income taxes, prepaid expenses and other	<u>3,905</u>	<u>4,849</u>
Total current assets	76,586	74,367
Plant and equipment, net	4,419	4,638
Goodwill, net	<u>1,676</u>	<u>1,709</u>
	<u>\$ 82,681</u>	<u>\$ 80,714</u>
 Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 14,411	\$ 13,496
Accrued liabilities	2,288	4,321
Income taxes payable	1,910	2,120
Revolving line of credit and current portion of obligations under capital leases	<u>250</u>	<u>11,757</u>
Total current liabilities	18,859	31,694
Revolving line of credit	14,000	-
Minority interest	1,041	1,041
Obligations under capital leases	<u>23</u>	<u>147</u>
Total liabilities	33,923	32,882
Stockholders' equity:		
Common stock	91	91
Additional paid-in capital	38,615	38,625
Retained earnings	20,340	19,476
Treasury stock	<u>(10,288)</u>	<u>(10,360)</u>
Total stockholders' equity	48,758	47,832
Total liabilities and stockholders' equity	<u>\$ 82,681</u>	<u>\$ 80,714</u>

*Balances were derived from the audited balance sheet as of January 31, 2001