

## **FAVS Announces Improved Q3 Operating Results**

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*Westport, CT—* FAVS ANNOUNCES IMPROVED Q3 OPERATING RESULTS

WESTPORT, CONNECTICUT, December 6, 2007 - First Aviation Services Inc. (FAVS.PK), a leading provider of supply chain services to the aerospace industry worldwide, released its third quarter financial results for the three months ended October 31, 2007.

The company reported sales and a net loss for the third quarter of \$30.9M and (\$990k) compared with \$32.4M and (\$4.2M) for the same period of the prior year. There are a number of one time charges in the quarter including a foreign exchange gain of \$309k, a positive freight adjustment of \$150k, an A/R reserve of \$323k, the disposition of excess or obsolete inventory in excess of reserves of \$225k, and \$185k of other charges.

Net debt was reduced in the quarter to \$23.8M and the company entered into a new \$32M credit facility. Mr. Aaron Hollander, Chairman and CEO of First Aviation, said: "We are continuing to make strong progress. The company continues to experience positive results from its cost containment programs as SG&A expense was reduced compared to the same quarter of the prior year and the quarterly loss from operations of \$408 thousand in the current year quarter was significantly lower than the \$4.8 million loss in the prior year period. In addition, the company was able to reduce amounts owed to suppliers by \$5.5 million and generate positive cash flow from operations of \$2.8 million for the quarter. The entire management team is focused on profitability and continued balance sheet improvement."

First Aviation, located in Westport, Connecticut and its principal operating subsidiary, Aerospace Products International, Inc. ("API"), headquartered in Memphis, Tennessee, is a leading provider of services to the aviation industry worldwide. The services the Company provides the aviation industry include the sale of aircraft parts and components, the provision of supply chain management services, overhaul and repair services for wheels, brakes and starter/generators, and the assembly of custom hoses. With locations in the U.S., Canada, Asia Pacific and China, plus partners throughout the world, API continues to be a leading provider of aviation products, supply chain management services and technology solutions in the industry. More information about First Aviation can be found on the World Wide Web at <http://www.favs.com> and, <http://www.apeworldwide.com>.

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