

AAR CORP  
Form 4  
April 06, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MCDONALD JAMES M

(Last) (First) (Middle)  
1100 N WOOD DALE RD  
(Street)

WOODDALE, IL 60191

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
AAR CORP [AIR]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/20/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price		
Common Stock	03/20/2006	04/06/2006	M		6,000	A	\$ 22.625	69,598	D
Common Stock	03/20/2006	04/06/2006	M		3,750	A	\$ 23.0834	73,348	D
Common Stock	03/20/2006	04/06/2006	M		4,000	A	\$ 17.75	77,348	D
Common Stock	03/20/2006	04/06/2006	M		1,000	A	\$ 3.2	78,348	D
Common Stock	03/20/2006	04/06/2006	F		12,091	D	\$ 27.42	66,257	D

Common Stock		5,600	I	Cust for minor children
-----------------	--	-------	---	-------------------------------

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Stock Option	\$ 22.625	03/20/2006	04/06/2006	M		6,000		07/13/2000	07/13/2009	Common Stock	6,000
Stock Option	\$ 23.0834	03/20/2006	04/06/2006	M		3,750		10/08/1998	10/08/2007	Common Stock	3,750
Stock Option	\$ 17.75	03/20/2006	04/06/2006	M		4,000		10/14/1999	10/14/2008	Common Stock	4,000
Stock Option	\$ 3.2	03/20/2006	04/05/2006	M		1,000		10/09/2003	10/09/2012	Common Stock	1,000
Stock Option	\$ 27.42	03/20/2006	04/06/2006	A <sup>(1)</sup>		4,951		03/20/2006	07/13/2009	Common Stock	4,951
Stock Option	\$ 27.42	03/20/2006	04/06/2006	A <sup>(1)</sup>		2,589		03/20/2006	10/14/2008	Common Stock	2,589
Stock Option	\$ 27.42	03/20/2006	04/06/2006	A <sup>(1)</sup>		116		03/20/2006	10/09/2012	Common Stock	116

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCDONALD JAMES M 1100 N WOOD DALE RD			Vice President	

WOODDALE, IL 60191

## Signatures

Jo-Ellen Kiddie, Power of  
Attorney

04/06/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reload option resulting from withholding of stock in payment of exercise price.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.