

NEWS BULLETIN

FOR IMMEDIATE RELEASE
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AAON, Inc.

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AAON REPORTS SECOND QUARTER RESULTS

Tulsa, OK, August 6, 2010 – AAON, Inc. (NASDAQ-AAON) today announced its operating results for the second quarter and six-month period ended June 30, 2010.

In the quarter, net sales decreased 6% to \$64.5 million from \$68.6 million and net income decreased 18% to \$5.8 million from \$7.1 million in the second quarter of 2009. Earnings per diluted share were \$0.34, down 17% from \$0.41 for the same period a year ago, based upon 17.0 million and 17.3 million diluted shares outstanding for the three months ended June 30, 2010, compared to June 30, 2009, respectively. Net sales for the first six months of 2010 decreased 14% to \$113.8 million from \$132.6 million in 2009, and net income decreased 21% to \$10.9 million from \$13.8 million. Earnings per diluted share were \$0.64, down 20% from \$0.80, based upon 17.2 million and 17.3 million diluted shares outstanding for the six months ended June 30, 2010, compared to June 30, 2009, respectively.

Norman H. Asbjornson, President and CEO, stated, “The decreases in sales and earnings were attributable to a continuation of poor economic conditions. Even though we expect the second half of 2010 to be challenging, we continue to significantly invest in our equipment and facilities and introduce new products which are enabling AAON to gain market share and position us to benefit from any upturn in the industry.”

The Company will host a conference call today at 10:00 A.M. ET to discuss the second quarter results. To participate, call 1-877-737-1669 (Pass code VA16176).

AAON, Inc. is a manufacturer of air-conditioning and heating equipment consisting of rooftop units, chillers, air handling units, condensing units, heat recovery units, commercial self-contained units and coils. Its products serve the new construction and replacement markets. The Company has successfully gained market share through its “semi-custom” product lines, which offer the customer value, quality, function, serviceability and efficiency.

Certain statements in this news release may be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933. Statements regarding future prospects and developments are based upon current expectations and involve certain risks and uncertainties that could cause actual results and developments to differ materially from the forward-looking statements.

AAON, Inc., and Subsidiaries
Consolidated Statements of Income

	Three Months Ended		Six Months Ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	(in thousands, except per share data)			
Net sales	\$ 64,531	\$ 68,597	\$ 113,840	\$ 132,562
Cost of sales	<u>49,025</u>	<u>50,493</u>	<u>85,340</u>	<u>97,524</u>
Gross profit	15,506	18,104	28,500	35,038
Selling, general and administrative expenses	<u>6,598</u>	<u>6,793</u>	<u>11,426</u>	<u>13,328</u>
Income from operations	8,908	11,311	17,074	21,710
Interest expense	-	-	-	(9)
Interest income	112	7	118	7
Other income (expense), net	<u>(62)</u>	<u>(71)</u>	<u>(122)</u>	<u>174</u>
Income before income taxes	8,958	11,247	17,070	21,882
Income tax provision	<u>3,137</u>	<u>4,150</u>	<u>6,131</u>	<u>8,057</u>
Net income	<u>\$ 5,821</u>	<u>\$ 7,097</u>	<u>\$ 10,939</u>	<u>\$ 13,825</u>
Earnings per share:				
Basic	<u>\$0.34</u>	<u>\$0.41</u>	<u>\$0.64</u>	<u>\$0.80</u>
Diluted	<u>\$0.34</u>	<u>\$0.41</u>	<u>\$0.64</u>	<u>\$0.80</u>
Cash dividends declared per common share:	<u>\$0.18</u>	<u>\$0.18</u>	<u>\$0.18</u>	<u>\$0.18</u>
Weighted average shares outstanding:				
Basic	<u>16,940</u>	<u>17,170</u>	<u>17,063</u>	<u>17,179</u>
Diluted	<u>17,030</u>	<u>17,315</u>	<u>17,150</u>	<u>17,325</u>

AAON, Inc., and Subsidiaries
Consolidated Balance Sheets

	June 30, 2010	December 31, 2009
	<i>(in thousands, except share and per share data)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,101	\$ 25,639
Certificates of deposit	1,785	-
Investments held to maturity at amortized cost	10,630	-
Accounts receivable, net	36,459	33,381
Inventories, net	34,242	28,788
Prepaid expenses and other	661	1,087
Financial derivative asset	989	2,200
Assets held for sale, net	1,532	1,522
Deferred tax assets	4,580	3,623
Total current assets	94,979	96,240
Property, plant and equipment		
Land	1,328	1,328
Buildings	43,522	41,697
Machinery and equipment	94,549	90,213
Furniture and fixtures	7,470	7,225
Total property, plant and equipment	146,869	140,463
Less: Accumulated depreciation	85,312	80,567
Property, plant and equipment, net	61,557	59,896
Note receivable, long-term	75	75
Certificates of deposit	240	-
Investments held to maturity at amortized cost	2,462	-
Total assets	\$ 159,313	\$ 156,211
Liabilities & Stockholders' Equity		
Current liabilities:		
Revolving credit facility	\$ -	\$ -
Current maturities of long-term debt	30	76
Accounts payable	18,537	8,524
Dividends payable	-	3,100
Accrued liabilities	23,594	19,186
Total current liabilities	42,161	30,886
Long-term debt, less current maturities	-	-
Deferred tax liabilities	6,999	7,326
Commitments and contingencies		
Stockholder's Equity		
Preferred stock, \$.001 par value, 7,500,000 shares authorized, no shares issued	-	-
Common stock, \$.004 par value, 75,000,000 shares issued authorized, 16,576,022 and 17,214,979 issued and outstanding at June 30, 2010 and December 31, 2009, respectively	69	71
Additional paid-in capital	-	644
Accumulated other comprehensive income, net of tax	1,084	1,077
Retained earnings	109,000	116,207
Total stockholders' equity	110,153	117,999
Total liabilities and stockholders' equity	\$ 159,313	\$ 156,211

AAON, Inc., and Subsidiaries
Consolidated Statements of Cash Flows

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	<i>(in thousands)</i>	
Operating Activities		
Net income	\$ 10,939	\$ 13,825
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,812	4,564
Provision for losses on accounts receivable, net of adjustment	(164)	634
Share-based compensation	421	419
Excess tax benefits from stock options exercised and restricted stock awards vested	(342)	(180)
Deferred income taxes	(1,284)	(1,103)
Changes in assets and liabilities:		
Accounts receivable	(2,914)	(3,047)
Inventories	(5,454)	5,058
Prepaid expenses and other	426	(290)
Financial derivative asset	1,211	
Accounts payable	10,012	808
Accrued liabilities	4,745	5,763
Net cash provided by operating activities	22,408	26,451
Investing Activities		
Investment in certificates of deposit	(2,025)	-
Investments held to maturity at amortized cost	(13,092)	-
Capital expenditures	(6,472)	(5,803)
Net cash used in investing activities	(21,589)	(5,803)
Financing Activities		
Borrowings under revolving credit facility	-	9,972
Payments under revolving credit facility	-	(12,873)
Payments of long-term debt	(46)	(45)
Stock options exercised	976	323
Excess tax benefits from stock options exercised and restricted stock awards vested	342	180
Repurchase of stock	(17,439)	(1,862)
Cash dividends paid to stockholders	(6,192)	(2,773)
Net cash used in financing activities	(22,359)	(7,078)
Effect of exchange rate on cash	2	81
Net increase (decrease) in cash and cash equivalents	(21,538)	13,651
Cash and cash equivalents, beginning of year	25,639	269
Cash and cash equivalents, end of period	\$ 4,101	\$ 13,920