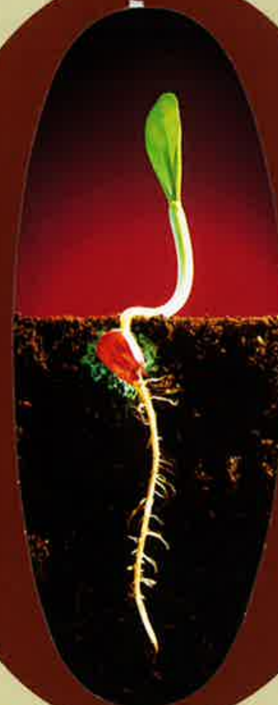
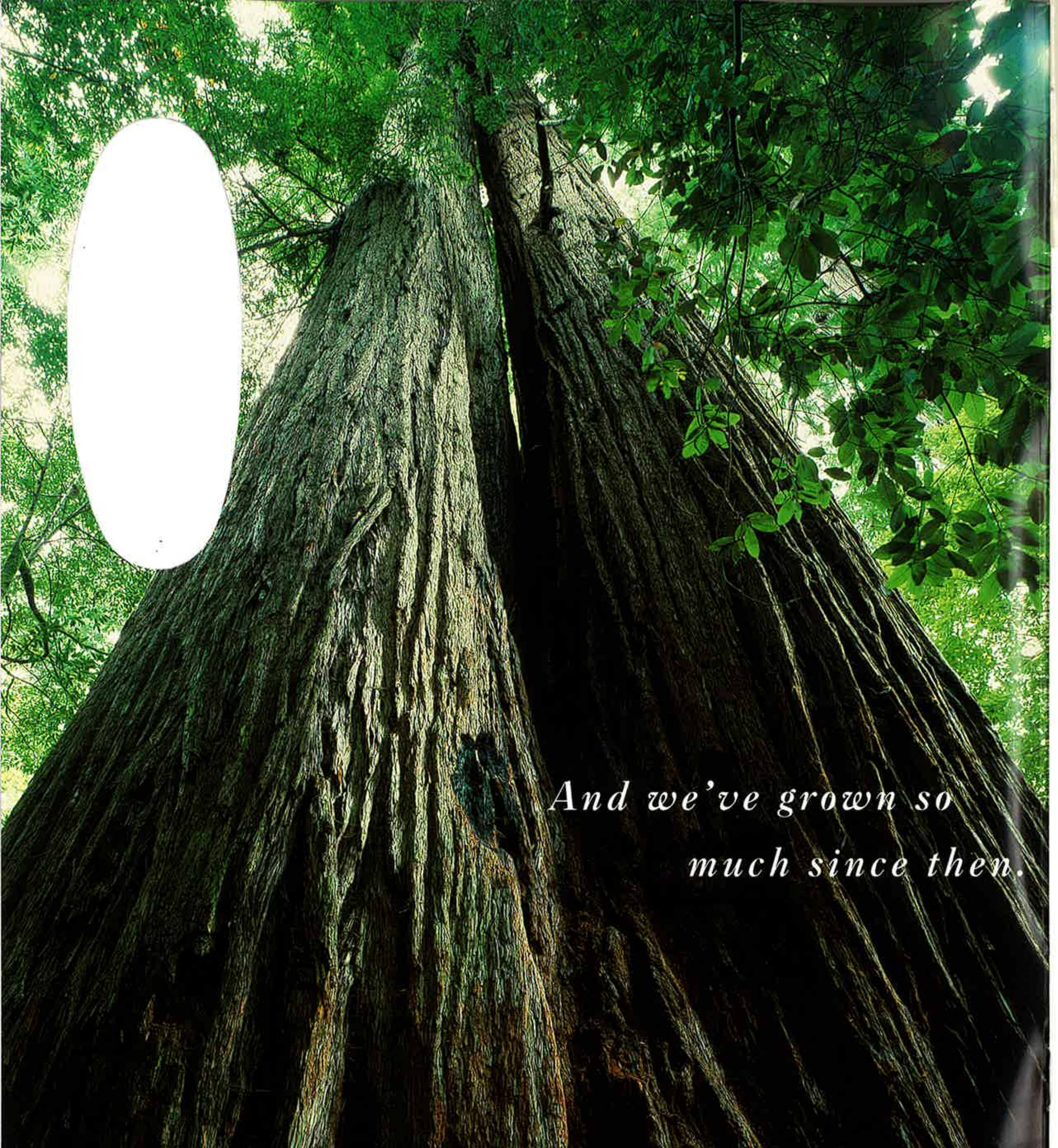
Celebrating 10 YEARS



Ten years ago,

a seed was planted.

AAON 1997 ANNUAL REPORT



And we've grown so much since then.

Company Highlights

AUGUST 1988
AAON, an Oklahoma corporation, founded.

SEPTEMBER 1988
Purchase of John Zink Air Conditioning Division.

SPRING 1989
AAON purchased, renovated and moved into a 184,000 square foot plant in Tulsa, Oklahoma. Introduced a new product line of rooftop heating and air conditioning units 2-140 tons.

SUMMER 1989
Became a publicly traded company with the reverse acquisition of Diamond Head Resources (now "AAON, Inc.", a Nevada corporation).

DECEMBER 1990
Listed on NASDAQ Small Cap-Symbol "AAON".

DECEMBER 1991
Formed AAON Coil Products, Inc., a Texas Corporation (ACP), as a subsidiary to AAON, Inc. (Nevada), and purchased coil making assets of Coils Plus.

SPRING 1993
ACP purchased, renovated and moved into a 110,000 square foot plant in Longview, Texas.

SEPTEMBER 1993
One-for-four reverse stock split. Retired $1,927,000 of subordinated debt.

NOVEMBER 1993
Listed on the NASDAQ National Market System.

JANUARY 1995
Introduced a desiccant heat recovery wheel option available on all AAON rooftop units.

MARCH 1995
Purchase of property with 26,000 square ft. building adjacent to ACP's plant in Longview, TX. Issued a ten percent stock dividend.

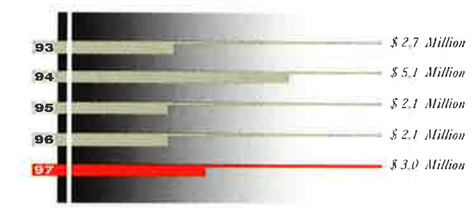
SEPTEMBER 1995
Completed expansion of the Tulsa facility to 332,000 square feet.

DECEMBER 1997
Purchased 40 acres with 457,000 square foot plant and 22,000 square foot office space located across from Tulsa facility.

Financial Highlights

		1997	1996	1995	1994	1993
INCOME DATA ($000)						
Net Sales		81,676	62,845	67,346	79,542	45,394
Gross Profit		13,071	11,048	10,818	17,878	11,486
Operating Income		4,925	4,635	4,500	9,957	5,308
Interest Expense		687	838	815	806	809
Depreciation and Amortization		2,517	2,497	2,705	1,714	1,130
Pretax Income		4,071	3,391	3,233	8,706	4,240
Net Income		3,022	2,075	2,069	5,101	2,665
Earnings Per Share	(Basic)*	0.49	0.34	0.34	0.84	0.44
	(Diluted)	0.48	0.33	0.33	0.81	0.43
BALANCE SHEET ($000)						
Current Assets		26,142	24,581	21,149	23,777	15,862
Net Fixed Assets		16,585	10,133	10,312	8,230	7,427
Accumulated Depreciation		9,969	7,868	5,831	3,324	2,117
Total Assets		42,769	35,569	32,212	32,562	24,083
Current Liabilities		11,039	10,953	7,971	10,453	6,578
Long-Term Debt		12,857	8,976	10,695	10,648	11,008
Stockholder's Equity		18,873	15,640	13,546	11,461	6,350
FUNDS FLOW DATA ($000)						
From (To) Operations		4,772	4,079	5,161	2,749	(32)
From (To) Investment		(8,956)	(2,053)	(4,593)	(2,376)	(2,575)
From (To) Financing		4,072	(2,551)	69	(519)	2,655
From (To) Cash		(112)	(525)	637	(87)	48
RATIO ANALYSIS						
Return on Equity		19.3%	15.3%	18.1%	80.3%	72.3%
Return on Assets		8.5%	6.4%	6.4%	21.2%	17.0%
Net Margin		3.7%	3.3%	3.1%	6.4%	5.9%
Total Liabilities to Equity		1.3	1.3	1.4	1.8	2.8
Long-Term Debt to Equity		0.7	0.6	0.8	0.9	1.7
Interest Coverage		6.9	5.0	5.0	11.8	6.2
Current Ratio		2.4	2.2	2.7	2.3	2.4

NET INCOME



NET SALES

** Adjusted for one-for-four reverse split effective September 15, 1993 and for a 10 percent stock dividend issued on March 27, 1995.*

Automated sheet metal fabrication system

1988

1998

growing into the future.

To Our Shareholders

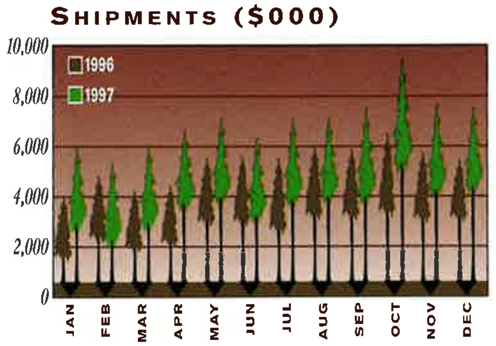
As we enter our tenth year, we reflect on our past and anticipate our future.

At our inception, building a higher quality rooftop unit with factory installed options and a slight premium price was a departure from the norm. Other companies were either manufacturing a standardized production line unit or customized products engineered for specific conditions. We chose a niche market utilizing aspects of both types of products.

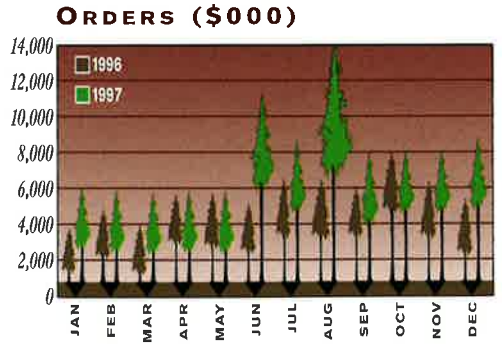
While AAON's sales surged by 30 percent last year, it is more significant that our growth rate over the past nine years has been approximately ten times the industry average.

Diversification of our customer base has been our driving force. Beginning in 1988 with two customers representing over 95 percent of our business, we have developed a broad base of retail, institutional, office and industrial building customers. In 1997, our four largest individual customers made up less than 34 percent of sales. While we expect to continue to gain significant benefits through customer diversification, our rapid growth has necessitated an in-depth analysis of our strengths and weaknesses. As in 1996, orders last year outpaced shipments resulting in more than a 100 percent increase in our backlog. This tremendous growth reinforced our conviction to develop paths for future success.

Shipments ($000)



Orders ($000)

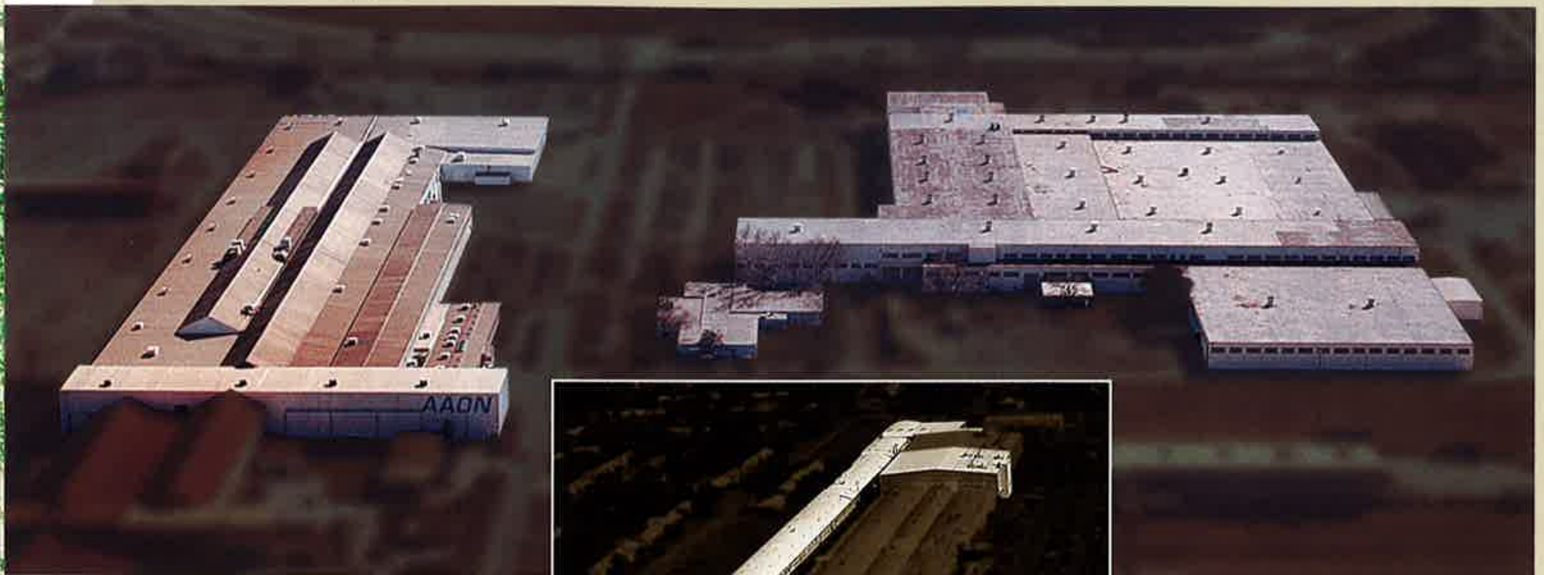


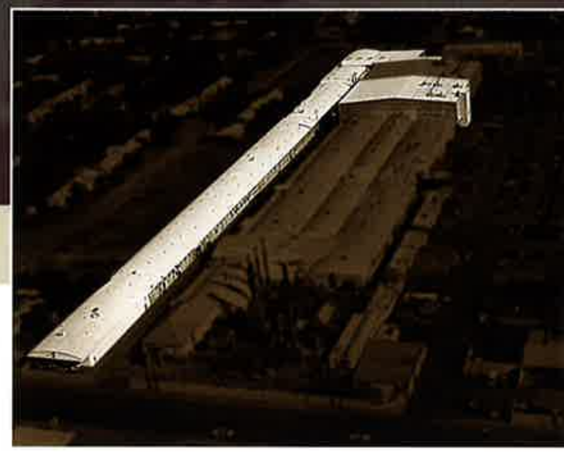
We began a formal evaluation of our operations in December 1996, which is now nearly completed. Examination of our success revealed flexibility to be our key strength. Flexible manufacturing has allowed us to offer our feature-rich products at prices competitive with standardized equipment. To enhance this advantage, we are expanding upon our manufacturing skills by acquiring software-driven, automated sheet metal fabrication equipment in both our Tulsa and Longview facilities. These investments will enable us to become more responsive to the changing needs of our customers while reducing exposure to the tightening labor markets.

Exposure to the tight labor market in Tulsa, combined with higher raw material costs, placed pressure on margins in 1997. We do not expect a reprieve from the restrictive labor availability in Tulsa in the foreseeable future. Therefore, product and design changes are being put into production to capitalize upon our new manufacturing capabilities. Changes in our existing products will be phased in over time while new products will be designed with these capabilities in mind. Although these products are not yet optimized for automated manufacturing, design changes will be implemented quickly for our newest products. Our new air-handling product line, produced in Longview, takes advantage of our coil manufacturing and marketing capabilities to enter another substantial market in the commercial heating and air conditioning industry. A companion product line of condensing units will be manufactured in Tulsa to take advantage of the refrigerant facilities already in place. Both of these products will be offered through our extensive representative network.

In order to ensure future growth potential in Tulsa, we purchased 40 acres of land with 457,000 square feet of manufacturing and 22,000 square feet of office space across the street from our current location. Over 90 percent of this space is currently leased, providing us with a

Tulsa in 1998 – 800,000 square feet



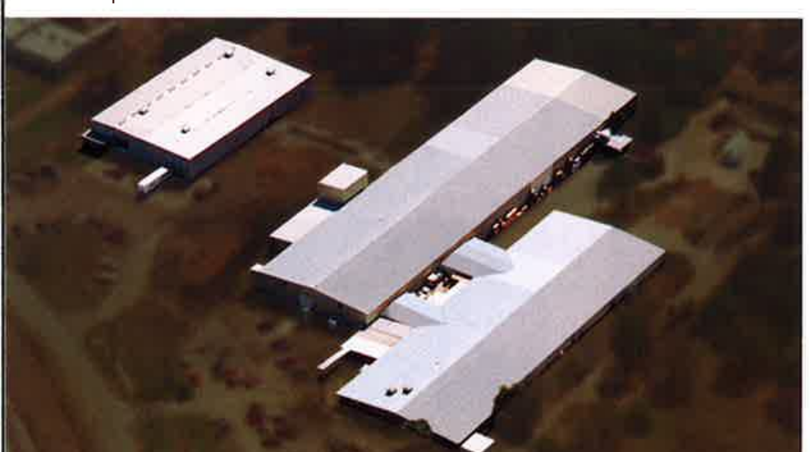


Tulsa in 1988 – 60,000 square feet

profit on our investment along with parking and 20,000 square feet of currently available manufacturing space.

As we approach the new millennium, many computer systems are faced with a serious problem due to their use of a two-digit year code. AAON's computer system does not harbor this type of danger and does not have any problem with the advent of the year 2000. While we have corrected potential problems with our computer systems, we recognize that there will be difficulties within other companies related to the year 2000. Therefore, we will continue to work with our customers and suppliers to minimize any impact upon AAON.

Longview, Texas Plant – 136,000 square feet.



In 1998, we anticipate a continuation of 1997's strong demand across our customer base with additional growth coming from the developing sales of our new products. Production efficiencies realized from capital expenditures in previous years and the current year will enable us to maintain production growth within the constraining labor markets. We are optimistic about our prospects despite the normal challenges in our industry. As always, your employees, listed on the inside cover of this report, thank you for your continuing support.

Sincerely,

Norman H. Asbjornson
President
March 25, 1998

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1997

Commission file number: 33-18336-LA

AAON, INC.
(Exact name of Registrant as specified in its charter)

NEVADA (State or other jurisdiction of incorporation or organization)	**87-0448736** (IRS Employer Identification No.)
2425 South Yukon, Tulsa, Oklahoma (Address of principal executive offices)	**74107** (Zip Code)

Registrant's telephone number, including area code: (918) 583-2266
Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value $.004
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✔ No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of Registrant's voting stock held by non-affiliates computed by reference to the average bid and asked prices of such stock on March 1, 1998, was approximately $40,787,000. For purposes of this computation, all officers, directors and 5% beneficial owners of Registrant are deemed to be affiliates.

As of March 1, 1998, Registrant had outstanding a total of 6,178,449 shares of its $.004 par value Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's definitive Proxy Statement to be filed in connection with the Annual Meeting of Stockholders to be held May 12, 1998, are incorporated into Part III.

Table Of Contents

Item Number and Caption — *Page Number*

Part 1

Item 1. Business.

General Development of Business AAON, Inc., a Nevada corporation ("AAON-Nevada" or, including its subsidiaries, the "Company"), was incorporated on August 18, 1987.

AAON, Inc., an Oklahoma corporation ("AAON-Oklahoma"), was incorporated on August 15, 1988, for the purpose of acquiring the assets, subject to certain liabilities, of the Heating, Ventilation and Air-Conditioning ("HVAC") Division of John Zink Company in Tulsa, Oklahoma. On June 16, 1989, pursuant to a Conversion/Exchange Agreement, AAON-Oklahoma became a wholly-owned subsidiary of AAON-Nevada.

AAON-Oklahoma is engaged in the manufacture and sale of commercial rooftop air-conditioners and heating equipment.

On December 30, 1991, AAON Coil Products, Inc. ("ACP", formerly CP/AAON, Inc.), a Texas corporation organized as a wholly-owned subsidiary of AAON-Nevada for such purpose, purchased most of the assets of Coils Plus, Inc., of Longview, Texas, which manufactures coils used in the products of AAON-Oklahoma.

Products and Markets The Company engineers, manufactures and markets commercial rooftop air-conditioning, heating and heat recovery equipment and air-conditioning coils. Its products serve the commercial and industrial new construction and replacement markets. While to date virtually all of the Company's sales have been to the domestic market, concerted efforts began in 1993 to develop foreign sales which accounted for approximately 2% of its sales last year and are projected to increase in coming years.

The rooftop market consists of units installed on commercial or industrial structures of generally less than 10 stories in height.

ACP's coil sales are made to air-conditioning unit manufacturers, including AAON-Oklahoma, and to the commercial/industrial general building market.

The size of these markets is determined primarily by the number of commercial and industrial building completions. The replacement market consists of products installed to replace existing units/components which are worn or damaged. Historically, approximately half of the industry's market has consisted of replacement units.

The commercial and industrial new construction market is subject to cyclical fluctuations in that it is generally tied to housing starts, but has a lag factor of 6-18 months. Housing starts, in turn, are affected by such factors as interest rates, the state of the economy, population growth and the relative age of the population. When new construction is down, the Company emphasizes the replacement market.

Based on its 1997 level of sales, approximately $82 million, the Company has an 8% share of the rooftop market and a 2% share of the coil market. Approximately 65% of the Company's sales now come from new construction and 35% from renovation/replacements. The percentage of sales (for new construction vs. replacement) to particular customers is related to their stage of development, e.g., Target and Wal-Mart, 80% new construction and 20% replacement.

The Company purchases certain components, fabricates sheet metal and tubing and then assembles and tests its finished products. The finished products of AAON-Oklahoma consist of a single unit system containing heating, cooling and/or heat recovery components in a self-contained cabinet, referred to in the industry as "unitary" products. The finished products of ACP are coils, consisting of a sheet metal casing with tubing and fins contained therein.

The Company now has three groups of rooftop products: its RK Series, which is offered in 18 cooling sizes ranging from 3 to 60 tons; its RF Series, which is offered in nine cooling sizes ranging from 40 to 130 tons; and its HA Series, which is a horizontal discharge package for either rooftop or ground installation, offered in nine sizes ranging from 4 to 50 tons.

AAON-Oklahoma's engineers have developed a heat recovery wheel for its RK and RF units. The product responds to requirements of the U.S. Clean Air Act which mandate increased fresh air in commercial structures. This product, which is marketed under the name AAONAIRE, increases the capacity of AAON HVAC units by up to 50% with no additional energy cost. The Company has been granted patent pending status on this unique product. This enhancement was introduced in January 1995. The energy savings and comfort improvement afforded by the heat recovery wheel have been proven by numerous installations during the past year, but sales to date, while increasing, account for a minor part of revenues.

AAON-Oklahoma's products are designed to compete on the high side of standardized, packaged rooftop products. Accordingly, its prices range from $300 and $550 per ton of cooling, which is approximately 5%, on average, higher than other standardized products. Performance characteristics of these products range in cooling capacity from 32,900 - 1,563,469 BTU's and in heating capacity from 69,000 - 1,680,000 BTU's. All of the Company's rooftop products meet the Department of Energy's efficiency standards, which are designed to set the maximum amount of energy to be used in producing a given amount of cooling.

A typical commercial building installation requires a ton of air-conditioning for every 300-400 square feet or, for a 100,000 square foot building, 250 tons of air-conditioning, which would involve multiple units.

Major Customer The Company's largest customers last year were Target Stores, Inc., and Wal-Mart Stores, Inc. Sales to Target and Wal-Mart were each 11% of total sales in 1997 compared to 14% and 7%, respectively, in 1996. The Company has no written contract with Target or Wal-Mart.

The loss of either Target or Wal-Mart as a customer would have a material adverse effect on the Company. However, with the Company's emphasis on marketing to other customers, management believes that the extent of its dependence on sales to its major customers will diminish over a period of time.

In order to diversify its customer base, the Company has added to and/or upgraded its sales representation in various markets.

Sources and Availability of Raw Materials The most important materials purchased by the Company are steel, copper and aluminum, which are obtained from domestic suppliers. The Company also purchases from other domestic manufacturers certain components, including compressors, electric motors and electrical controls used in its products. The Company endeavors to obtain the lowest possible cost in its purchases of raw materials and components, consistent with meeting specified quality standards. The Company is not dependent upon any one source for its raw material or the major components of its manufactured products, but AAON-Oklahoma purchases all of its coils from ACP. By having multiple suppliers, the Company believes that it will have adequate sources of supplies to meet its manufacturing requirements for the foreseeable future.

Further, the Company attempts to limit the impact of increases in raw materials and purchased component prices on its profit margins by negotiating with each of its major suppliers on a term basis from six months to a year.

Distribution The Company utilizes a direct sales staff of 12 individuals and approximately 81 independent manufacturer representatives' organizations having 101 offices to market its products in the United States. The Company also has one international sales organization, which utilizes 10 distributors in other countries. Sales are made directly to the contractor or end user, with shipments being made from the Company's Tulsa and Longview plants to the job site. Billings are to the contractor or end user, with a commission paid directly to the manufacturer representative.

AAON-Oklahoma's products and sales strategy focus on a "niche" market. The targeted market for its rooftop equipment is customers seeking a product of better quality than offered, and/or options not offered, by standardized manufacturers.

To support and service its customers and the ultimate consumer, AAON-Oklahoma provides parts availability through four independent parts distributors and has a factory service organization at its Tulsa plant. Also, a number of the manufacturer representatives utilized by the Company have their own service organizations, which, together with the Company, provide the necessary warranty work and/or normal service to customers.

The Company's warranty on its products is: for parts only, the earlier of one year from the date of first use or 15 months from date of shipment; compressors, an additional four years; and on gas-fired heat exchangers (if applicable), 10 years.

Research and Development All R&D activities of the Company are company-sponsored, rather than customer-sponsored. Ongoing work involves the HA Series, component evaluation and refinement, development of control systems and new product development. This work will cost approximately $200,000 per year and is budgeted as a normal, recurring expense.

Backlog The Company had a current backlog as of March 1, 1998, of $38,482,000, compared to $14,772,000 at March 1, 1997. The current backlog consists of orders considered by management to be firm and substantially all of which will be filled by August 1, 1998; however, the orders are subject to cancellation by the customers.

Working Capital Practices Working capital practices in the industry center on inventories and accounts receivable. The Company regularly reviews its working capital components with a view to maintaining the lowest level consistent with requirements of anticipated levels of operation. Its greatest needs arise during the months of July-November, the peak season for inventory (primarily purchased material) and accounts receivable. The Company's working capital requirements are generally met through a bank revolving credit facility, which currently permits borrowings up to $15,150,000. The Company believes that it will have sufficient bank credit available to meet its working capital needs through 1998 and beyond.

Seasonality Sales of the Company's products are moderately seasonal with the peak period being July-November of each year.

Competition In the domestic market, the Company competes primarily with Trane Company, a division of American Standard, Inc., Carrier Corporation, a subsidiary of United Technologies Corporation, Lennox Industries, Inc., and York International Corporation. All of these competitors are substantially larger and have greater resources than the Company. The Company competes primarily on the basis of total value, quality, function, serviceability, efficiency, availability of product, product line recognition and acceptability of sales outlet. However, in new construction where the contractor is the purchasing decision maker, AAON-Oklahoma often is at a competitive disadvantage on sales of rooftop units because of the emphasis placed on initial cost; whereas, in the replacement market and other owner-controlled purchases of such units, the Company has a better chance of getting the business since quality and long-term cost are generally taken into account.

Employees As of March 1, 1998, the Company had 661 employees and 302 temporaries, none of whom are represented by unions. Management considers its relations with its employees to be good.

Patents, Trademarks, Licenses and Concessions The Company does not consider any patents, trademarks, licenses or concessions held by it to be material to its business operations, other than possibly the patent pending on the heat recovery wheel option known as AAONAIRE discussed under "Products and Markets".

Environmental Matters Laws concerning the environment that affect or could affect the Company's domestic operations include, among others, the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act, the Occupational Safety and Health Act, the National Environmental Policy Act, the Toxic Substances Control Act, regulations promulgated under these Acts, and any other federal, state or local laws or regulations governing environmental matters. The Company believes that it presently complies with these laws and that future compliance will not materially adversely affect the Company's earnings or competitive position.

Item 2. Properties.

The plant and office building of AAON-Oklahoma is of sheet metal construction, containing 337,000 square feet (322,000 sq. ft. of manufacturing/warehouse space and 15,000 sq. ft. of office space), located on a 12-acre tract of land at 2425 South Yukon, Tulsa, Oklahoma. The manufacturing area is in a heavy industrial type building, with total coverage by bridge cranes, containing manufacturing equipment designed for sheet metal fabrication and metal stamping. Assembly lines consist of four cart-type conveyor lines with variable line speed adjustment, three of which are motor driven. Subassembly areas and production line manning are based upon line speed. The manufacturing facility is 1,140 feet in length and varies in width from 390 feet to 220 feet. Production at this facility averaged approximately $6.25 million per month in 1997, which is 38% of the estimated capacity of the plant. Management deems this plant to be nearly ideal for the type of rooftop products being manufactured by the Company. The office space is believed to be adequate for the foreseeable future.

In the past, manufacturing equipment contained in the Tulsa facility has consisted primarily of presses, press breaks and NC punching equipment. During the last half of 1997, a significant change was made in the type of sheet metal fabrication equipment utilized with the purchase of a software driven, automated punching, shearing and bending machine at a cost of approximately $2.5 million. Another such machine is currently on order and is expected to be in operation by July 1, 1998.

Also, on December 31, 1997, the Company purchased a 40-acre tract of land across the street from its Tulsa facility, having a 457,000 square foot manufacturing/warehouse building and a 22,000 square foot office building, at a total cost of $5.1 million. The buildings are currently over 90% leased and will afford the Company additional plant and office space for long-term growth.

The operations of ACP are conducted in a plant/office building at 203-207 Gum Springs Road in Longview, Texas, containing 138,000 square feet on 14 acres. The manufacturing area (approximately 131,000 square feet) is located in two 120-foot wide sheet metal buildings connected by an adjoining structure and a 28,000 square foot building adjacent thereto. The facility is built for light industrial manufacturing.

Bank borrowings of the Company, totalling $12,025,000 at March 1, 1998, are secured, in part, by its Longview buildings.

Item 3. Legal Proceedings.

The Company is not a party to any pending legal proceeding which management believes is likely to result in a material liability and no such action is contemplated by or, to the best of its knowledge, has been threatened against the Company.

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted to a vote of security holders, through solicitation of proxies or otherwise, during the period from October 1, 1997, through December 31, 1997.

Part II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's Common Stock is traded on the NASDAQ National Market under the symbol "AAON". The range of sales prices for the Company's Common Stock during the last two years, as reported by National Association of Securities Dealers, Inc., was as follows:

Quarter Ended	High Bid	Low Bid
March 31, 1996	$ 6.38	$ 4.50
June 30, 1996	$ 6.00	$ 4.38
September 30, 1996	$ 6.38	$ 4.25
December 31, 1996	$ 6.00	$ 4.63
March 31, 1997	$ 7.60	$ 4.32
June 30, 1997	$ 8.56	$ 5.48
September 30, 1997	$ 8.46	$ 7.16
December 31, 1997	$ 9.44	$ 6.40

On March 1, 1998, there were 201 holders of record, and 2,123 beneficial owners, of the Company's Common Stock.

Since its inception, no cash dividends have been paid on the Company's Common Stock and the Company does not anticipate paying cash dividends in the foreseeable future. There is a negative covenant under the Company's Revolving Credit and Term Loan Agreement which prohibits the declaration or payment of such dividends, if following such action there would result a Default or Event of Default thereunder. The Company paid a 10% stock dividend on March 27, 1995.

Item 6. Selected Financial Data.

The following selected financial data should be read in conjunction with the financial statements and related notes thereto for the periods indicated, which are included elsewhere in this report.

Years ended December 31 *(In thousands, except earnings per share)*

Results of Operations:	1997	1996	1995	1994	1993
Net sales	$ 81,676	$ 62,845	$ 67,346	$ 79,542	$ 45,394
Net income	$ 3,022	$ 2,075	$ 2,069	$ 5,101	$ 2,665
Basic earnings per share (1)	$ .49	$ .34	$ .34	$ .84	$ .44
Diluted earnings per share	$ .48	$ .33	$ .33	$ .81	$ .43

DECEMBER 31 *(In thousands)*

BALANCE SHEET DATA:	1997	1996	1995	1994	1993
Total assets	$ 42,769	$ 35,569	$ 32,212	$ 32,562	$ 24,083
Long-term debt	$ 12,857	$ 8,976	$ 10,695	$ 10,648	$ 11,008
Stockholders' equity	$ 18,873	$ 15,640	$ 13,546	$ 11,461	$ 6,350

(1) Basic earnings per common share were computed by dividing net income by the weighted average number of shares of common stock outstanding during the reporting period. Diluted earnings per common share were determined on the assumed exercise of dilutive options, as determined by applying the treasury stock method.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Set forth below is income statement information with respect to the Company for years 1997, 1996 and 1995:

YEARS ENDED DECEMBER 31 *(In thousands)*

	1997	1996	1995
Net sales	$ 81,676	$ 62,845	$ 67,346
Cost of sales	68,605	51,797	56,528
Gross profit	13,071	11,048	10,818
Selling, general and administrative expenses	8,146	6,413	6,318
Income from operations	4,925	4,635	4,500
Interest expense	687	838	815
Other expense	167	406	452
Income before income taxes	4,071	3,391	3,233
Income tax provision	1,049	1,316	1,164
Net income	$ 3,022	$ 2,075	$ 2,069

Results of Operations Net sales increased approximately 30% in 1997 as compared to 1996, and 1996 sales were 7% less than in 1995. The increase in sales in 1997 was attributable to increased sales to the Company's entire customer base, which is expected to continue in 1998. The reduction in sales in 1996 was primarily attributable to a drop in sales to two of the Company's largest customers.

Gross profit decreased in 1997 to 16.0% compared to 17.6% in 1996, but was approximately the same as in 1995 (16.1%). The 1.6% decrease in margins in 1997 was attributable primarily to outsourcing of sheet metal production and a labor shortage, with attendant increased costs.

While SG&A expenses increased by 27% in 1997 compared to 1996, these expenses remained relatively the same in 1997, 1996 and 1995 as a percent of sales.

Interest expense has remained at approximately the same level for three years, despite the significant increase in sales in 1997 and substantial capital expenditures in 1995. Profits in years 1995-1997 also helped to contain borrowings, as did effective control of inventories.

The $239,000 decrease in other expenses in 1997 compared to 1996 reflects the conclusion of amortization expenses in connection with the acquisition of AAON Coil Products, Inc.

Income before income taxes in 1995-1997 were relatively the same as a percent of sales.

The income tax provision in 1997 was affected by permanent tax deductions and credits.

Financial Condition and Liquidity Accounts receivable were only $479,000 higher at December 31, 1997, compared to year end 1996, although sales increased by $18.8 million, due to improved collections. Inventories increased by only 16.5% in 1997, even though sales increased by 30%, which reflects more effective controls.

Property, Plant and Equipment at December 31, 1997, was $6.5 million higher than at year end 1996 due to equipment purchases, in excess of depreciation, and the purchase of real property for $5.1 million. All capital expenditures in 1997 were financed out of cash flow, borrowings under the Company's revolving credit bank loan and a $1.26 million equipment financing.

The size of accounts payable at December 31, 1997 and 1996 primarily reflect the inventories and sales volumes in each of those years and the timing of payments to creditors.

Also, accrued liabilities at year-end 1997 and 1996 reflect the amount of reserves (warranty and commissions) related to sales and the timing of estimated income tax payments.

The capital needs of the Company are met primarily by its bank revolving credit facility. Management believes this bank debt (or comparable financing), term loans and projected profits from operations will provide the necessary liquidity and capital resources to the Company for at least the next five years. The Company's belief that it will have the necessary liquidity and capital resources is based upon its knowledge of the HVAC industry and its place in that industry, its ability to limit the growth of its business if necessary, and its relationship with its existing bank lender.

The Company's revolving credit line (which currently extends to June 30, 1999) provides for maximum borrowings of $15,150,000. Interest on this line is payable monthly at the Wall Street Journal prime rate or LIBOR plus 1.85%, at the election of the Company. This loan is collateralized by the accounts receivable, inventory and general intangibles of the Company's two operating subsidiaries.

Year 2000 Readiness Until recently, many software systems were not programmed to correctly recognize dates beyond December 31, 1999 (the "Y2K Problem"). The Company's software systems do not have the Y2K Problem. The Company will continue to work with its customers and suppliers to minimize any impact of their Y2K Problems on AAON.

Forward-Looking Statements This Annual Report includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects", "anticipates", "intends", "plans" "believes", "seeks", "estimates", "will", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Important factors that could cause actual results to differ materially from those in the forward-looking statements include (1) the timing and extent of changes in material prices, (2) the effects of fluctuations in the commercial/industrial new construction market, (3) the timing and extent of changes in interest rates, as well as other competitive factors during the year, and (4) general economic, market or business conditions.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements and supplementary data are included at page 12.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

Part III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT.

Incorporated by reference to the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Company's 1998 Annual Meeting of Stockholders.

ITEM 11. EXECUTIVE COMPENSATION.

Incorporated by reference to the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Company's 1998 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Incorporated by reference to the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Company's 1998 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Incorporated by reference to the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Company's 1998 Annual Meeting of Stockholders.

Part IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) 1. Financial statements. *See Index to Consolidated Financial Statements on page 11.*

2. Exhibits:

(3)	(A)	Articles of Incorporation (i)
	(A-1)	Article Amendments (ii)
	(B)	Bylaws (i)
	(B-1)	Amendment of Bylaws (iii)
(4)	(A)	Restated Revolving Credit and Term Loan Agreement ("Loan Agreement") and related documents (iii)
	(A-1)	Latest amendment of Loan Agreement (iv)
(10)		AAON, Inc. 1992 Stock Option Plan, as amended (v)
(21)		List of Subsidiaries (v)
(27)		Financial Data Schedule

(i) Incorporated herein by reference to the exhibits to the Company's Form S-18 Registration Statement No. 33-18336-LA.

(ii) Incorporated herein by reference to the exhibits to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990, and to the Company's Forms 8-K dated March 21, 1994, and March 10, 1997.

(iii) Incorporated herein by reference to the Company's Form 8-K dated June 22, 1992, or exhibits thereto.

(iv) Incorporated herein by reference to exhibit to the Company's Form 8-K dated September 26, 1997.

(v) Incorporated herein by reference to exhibits to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, and to the Company's Form S-8 Registration Statement No. 33-78520, as amended.

(b) The Company did not file any reports on Form 8-K during the period from October 1, 1997, to December 31, 1997.

Signatures

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

AAON, INC.

DATED: MARCH 25, 1998 By: /s/ Norman H. Asbjornson
Norman H. Asbjornson, President

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

DATED: MARCH 25, 1998 /s/ Norman H. Asbjornson
Norman H. Asbjornson
President and Director
(principal executive officer)

DATED: MARCH 25, 1998 /s/ William A. Bowen
William A. Bowen
Vice President-Finance and Director
(principal financial officer
and principal accounting officer)

DATED: MARCH 25, 1998 /s/ John B. Johnson, Jr.
John B. Johnson, Jr.
Director

DATED: MARCH 25, 1998 /s/ Joseph M. Klein
Joseph M. Klein
Director

Index To Consolidated Financial Statements

Report of Independent Public Accountants

To the Stockholders of AAON, Inc.:

We have audited the accompanying consolidated balance sheets of AAON, Inc. (a Nevada corporation) and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AAON, Inc. and subsidiaries as of December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Tulsa, Oklahoma
February 4, 1998

Consolidated Balance Sheets

(In thousands, except share amounts)

	December 31, 1997	December 31, 1996
ASSETS		
CURRENT ASSETS:		
Cash	$ 26	$ 138
Accounts receivable, *net (Notes 2 and 4)*	14,018	13,539
Inventories, *net (Notes 2 and 4)*	10,652	9,140
Prepaid expenses and other	403	160
Deferred income taxes *(Note 5)*	1,043	1,604
Total current assets	26,142	24,581
PROPERTY, PLANT AND EQUIPMENT, *net (Notes 2 and 4)*	16,585	10,133
OTHER ASSETS *(Note 2)*	42	855
Total assets	$ 42,769	$ 35,569
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 7,137	$ 6,097
Accrued liabilities *(Note 2)*	3,727	4,765
Current maturities of long-term debt *(Note 4)*	175	91
Total current liabilities	11,039	10,953
LONG-TERM DEBT (Note 4)	12,857	8,976
STOCKHOLDERS' EQUITY, per accompanying statements:		
Preferred stock, $.001 par value, 5,000,000 shares authorized, no shares issued	–	–
Common stock, $.004 par value, 50,000,000 shares authorized, 6,176,449 and 6,128,574 issued at December 31, 1997 and 1996, respectively	25	25
Additional paid-in capital	7,916	7,705
Retained earnings	10,932	7,910
Total stockholders' equity	18,873	15,640
Total liabilities and stockholders' equity	$ 42,769	$ 35,569

The accompanying notes are an integral part of these consolidated balance sheets.

Consolidated Statements of Operations

(In thousands, except per share amounts)

Years Ended December 31	1997	1996	1995
Net Sales *(Note 6)*	$ 81,676	$ 62,845	$ 67,346
Cost of Sales	68,605	51,797	56,528
Gross Profit	13,071	11,048	10,818
Selling, General and Administrative Expenses	8,146	6,413	6,318
Income From Operations	4,925	4,635	4,500
Interest Expense	687	838	815
Other Expense	167	406	452
Income Before Income Taxes	4,071	3,391	3,233
Income Tax Provision *(Note 5)*	1,049	1,316	1,164
Net Income	$ 3,022	$ 2,075	$ 2,069
Earnings Per Share *(Note 2)*			
Basic	$ .49	$ .34	$ .34
Diluted	$ .48	$ .33	$ .33
Weighted Average Shares Outstanding			
Basic	6,159,177	6,118,697	6,104,666
Diluted	6,303,426	6,301,560	6,314,937

The accompanying notes are an integral part of these consolidated statements.

Consolidated Statements of Stockholders' Equity

(In thousands)

	Common Stock *Shares*	*Amount*	Paid-in Capital	Retained Earnings	Total
Balance, January 1, 1995	6,101	$ 24	$ 7,671	$ 3,766	$ 11,461
Net Income	-	-	-	2,069	2,069
Stock Options Exercised *(Note 7)*	12	-	16	-	16
Balance, December 31, 1995	6,113	24	7,687	5,835	13,546
Net Income	-	-	-	2,075	2,075
Stock Options Exercised *(Note 7)*	15	1	18	-	19
Balance, December 31, 1996	6,128	25	7,705	7,910	15,640
Net Income	-	-	-	3,022	3,022
Stock Options Exercised *(Note 7)*	48	-	211	-	211
Balance, December 31, 1997	6,176	$ 25	$ 7,916	$ 10,932	$ 18,873

The accompanying notes are an integral part of these consolidated statements.

Consolidated Statements of Cash Flows

(In thousands)

YEARS ENDED DECEMBER 31	1997	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 3,022	$ 2,075	$ 2,069
Adjustments to reconcile net income to net cash provided by operating activities-			
Depreciation and amortization	2,517	2,497	2,705
Provision for losses on accounts receivable	175	450	122
Provision for excess and obsolete inventories	20	–	–
(Gain) Loss on disposition of assets	(13)	–	1
Deferred income taxes	1,370	(860)	(146)
Change in assets and liabilities-			
(Increase) decrease in accounts receivable	(654)	(4,143)	1,930
(Increase) decrease in inventories	(1,532)	(59)	1,184
(Increase) decrease in prepaid expenses and other	(239)	286	(216)
Increase (decrease) in accounts payable	1,040	1,673	(1,428)
Increase (decrease) in accrued liabilities	(934)	2,160	(1,060)
Total adjustments	1,750	2,004	(3,092)
Net cash provided by operating activities	4,772	4,079	5,161
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment	81	–	3
Capital expenditures	(9,037)	(2,053)	(4,596)
Net cash used in investing activities	(8,956)	(2,053)	(4,593)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under revolving credit agreement	39,910	32,651	40,276
Payments under revolving credit agreement	(37,115)	(31,899)	(39,653)
Proceeds from long-term debt	1,260	–	400
Payments on long-term debt	(90)	(3,322)	(970)
Stock options exercised	107	19	16
Net cash provided by (used in) financing activities	4,072	(2,551)	69
NET INCREASE (DECREASE) IN CASH	(112)	(525)	637
CASH, BEGINNING OF YEAR	138	663	26
CASH, END OF YEAR	$ 26	$ 138	$ 663

The accompanying notes are an integral part of these consolidated statements.

Notes To Consolidated Financial Statements

DECEMBER 31, 1997 AND 1996 *(Dollar amounts in thousands, except share and per share information)*

1. OPERATIONS AND ORGANIZATION:

AAON, Inc. (the Company, a Nevada corporation) is engaged in the manufacture and sale of commercial rooftop air conditioners, heating equipment and air conditioning coils through its wholly-owned subsidiaries AAON, Inc. (AAON, an Oklahoma corporation) and AAON Coil Products, Inc. (ACP, a Texas corporation). Products are primarily sold to building owner/operators in the domestic commercial and industrial new construction and replacement markets.

2. ACCOUNTING POLICIES:

Consolidation The consolidated financial statements include the accounts of the Company and its subsidiaries, AAON and ACP. All significant intercompany accounts and transactions have been eliminated.

Revenue Recognition Revenues are recognized at the time of shipment.

Inventories Inventories are valued at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

Property, Plant and Equipment Property, plant and equipment are stated at cost. Maintenance, repairs and betterments, including replacement of minor items, are charged to expense; major additions to physical properties are capitalized. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	10-20
Machinery and equipment	3-7
Furniture and fixtures	3-5

Warranties A provision is made for the estimated cost of warranty obligations at the time the related products are sold. Warranty expense was $2,356, $1,547 and $2,033 for the years ended December 31, 1997, 1996 and 1995, respectively.

Earnings Per Share The Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share," effective December 31, 1997, and all earnings per share amounts disclosed herein have been calculated under the provisions of the SFAS No. 128. Basic earnings per common share were computed by dividing net income by the weighted average number of shares of common stock outstanding during the reporting period. Diluted earnings per common share were determined on the assumed exercise of dilutive options, as determined by applying the treasury stock method.

Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Details To Consolidated Balance Sheets	Years Ended December 31, 1997	1996
ACCOUNTS RECEIVABLE:		
Accounts receivable	$ 14,378	$ 14,072
Less- allowance for doubtful accounts	360	533
Total, net	$ 14,018	$ 13,539
INVENTORIES:		
Raw materials	$ 7,223	$ 5,640
Work in process	2,136	1,385
Finished goods	1,443	2,245
	10,802	9,270
Less- allowance for excess and obsolete inventories	150	130
Total, net	$ 10,652	$ 9,140
PROPERTY, PLANT AND EQUIPMENT:		
Land	$ 874	$ 274
Buildings	11,865	7,278
Machinery and equipment	11,906	8,933
Furniture and fixtures	1,909	1,516
	26,554	18,001
Less- accumulated depreciation	9,969	7,868
Total, net	$ 16,585	$ 10,133
OTHER ASSETS:		
Deferred income taxes	–	809
Other	42	46
Total	$ 42	$ 855
ACCRUED LIABILITIES:		
Warranty	$ 1,490	$ 1,390
Commissions	1,220	1,441
Income taxes	–	1,214
Other	1,017	720
Total	$ 3,727	$ 4,765

	Years Ended December 31, 1997	1996	1995
ALLOWANCE FOR DOUBTFUL ACCOUNTS:			
Balance, beginning of period	$ 533	$ 204	$ 145
Provision for losses on accounts receivable	175	450	122
Accounts receivable written off, net of recoveries	(348)	(121)	(63)
Balance, end of period	$ 360	$ 533	$ 204
ALLOWANCE FOR EXCESS AND OBSOLETE INVENTORY:			
Balance, beginning of period	$ 130	$ 150	$ 240
Provision for excess and obsolete inventories	20	–	–
Inventories written off	–	(20)	(90)
Balance, end of period	$ 150	$ 130	$ 150

3. SUPPLEMENTAL CASH FLOW INFORMATION:

Interest payments of $682, $813 and $815 were made during the years ended December 31, 1997, 1996 and 1995, respectively. Payments for income taxes of $912, $652 and $1,604 were made during the years ended December 31, 1997, 1996 and 1995, respectively.

4. DEBT:

Long-term debt at December 31, consists of the following:	1997	1996
$15,150 bank line of credit, with interest payable monthly at LIBOR plus 1.85% (7.81% at December 31, 1997), due June 30, 1999, collateralized by accounts receivable and inventory.	$ 11,485	$ 8,690
Bank note, payable in monthly installments of $3, through March 2000, plus interest at the bank's prime rate plus 1/4% (8.75% at December 31, 1997), collateralized by real estate.	287	327
Note payable, due in 84 equal monthly installments beginning in April 1998, plus interest at the 30-day commercial paper rate plus 1.75% (7.5% at December 31, 1997), collateralized by machinery and equipment.	1,260	50
	13,032	9,067
Less-current maturities	175	91
	$ 12,857	$ 8,976

Maturities of long-term debt for each of the years ended December 31, are as follows:

1998	$ 175
1999	11,705
2000	387
2001	180
2002	180
Thereafter	405
	$ 13,032

The revolving credit agreement requires, among other things, that the Company maintain a minimum tangible net worth, working capital and debt to tangible net worth ratio and it limits capital expenditures. At December 31, 1997, the Company was in compliance with the covenants of the revolving credit agreement or obtained the necessary covenant waiver.

Based on the borrowing rates currently available to the Company for bank loans with similar terms and average maturities, the fair value of the long-term debt approximates the carrying value.

5. INCOME TAXES:

The Company accounts for income taxes as required by Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and income tax basis of assets and liabilities using currently enacted tax rates.

YEARS ENDED DECEMBER 31	1997	1996	1995
The income tax provision consists of the following:			
Current	$ 622	$ 2,176	$ 1,310
Deferred	427	(860)	(146)
	$ 1,049	$ 1,316	$ 1,164

The reconciliation of the federal statutory income tax rate to the effective income tax rate is as follows:	1997	1996	1995
Federal statutory rate	34%	34%	34%
State income taxes	–	5	4
Employment credits	(4)	–	–
Other	(4)	–	(2)
	26%	39%	36%

The tax effect of temporary differences giving rise to the Company's deferred income taxes at December 31 are as follows:

Net deferred tax assets (liabilities)-	1997	1996
Valuation reserves for inventories and accounts receivable	$ 197	$ 450
Warranty accrual	575	535
Other accruals	291	572
Depreciation and amortization	(41)	388
Other, net	21	468
	$ 1,043	$ 2,413

6. MAJOR CUSTOMERS:

Sales to customers with greater than ten percent of total sales consist of the following:

YEARS ENDED DECEMBER 31	1997	1996	1995
Target Stores, Inc.	11%	14%	17%
Wal-Mart Stores, Inc.	11%	*	27%

* *Less than 10 percent*

7. BENEFIT PLANS:

The Company maintains a stock option plan for key employees and directors and restricts 1,000,000 shares of common stock for issuance under the plan. Under the terms of this plan, the exercise price of shares granted will not be less than 85 percent of their fair market value at the date of the grant. The exercise price of all options granted was equal to the market price at the date of grant. Options granted vest at a rate of 20 percent per year, commencing one year after date of grant, and are exercisable for ten years. At December 31, 1997, 389,625 shares were available for granting future options. The number and exercise price of options granted were as follows:

	Number of Shares	*Price Per Share*
OUTSTANDING AT JANUARY 1, 1995	276,650	$1.14-$13.01
Granted	207,125	$4.50-$5.88
Exercised	(15,125)	$1.19
Cancelled	(42,900)	$13.01
OUTSTANDING AT DECEMBER 31, 1996	425,750	$1.14-$5.88
Granted	167,500	$5.25-$7.19
Exercised	(47,875)	$1.14-$5.13
Cancelled	(20,000)	$5.13
OUTSTANDING AT DECEMBER 31, 1997	525,375	$1.14-$7.19
EXERCISABLE AT DECEMBER 31, 1997	221,975	$1.14-$7.19

The Company adopted the disclosure-only provisions of SFAS 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation cost has been recognized for the stock option plans. Had compensation cost for the Company's stock option plans been determined consistent with the provisions of SFAS 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

	1997	1996
NET INCOME:		
As reported	$ 3,022	$ 2,075
Pro forma	$ 2,933	$ 2,004
BASIC EARNINGS PER SHARE:		
As reported	$ .49	$ .34
Pro forma	$ .48	$ .33
DILUTED EARNINGS PER SHARE:		
As reported	$ .48	$ .33
Pro forma	$ .47	$ .32

Because of the SFAS 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%; expected volatility of 48.26% to 49.41%; risk-free interest rate of 6.31% to 6.98%; and expected lives of eight years.

The Company sponsors a defined contribution benefit plan. Employees can make contributions at a minimum of one percent and a maximum of 15 percent of compensation. The Company may, on a discretionary basis, contribute a Company matching contribution not to exceed six percent of compensation. The Company made matching contributions of $159, $97 and $84 in 1997, 1996 and 1995, respectively.

The Company maintains a profit sharing bonus plan under which ten percent of pre-tax profit is paid to eligible employees on a quarterly basis. Profit sharing expense was $509, $303 and $479 for the years ended December 31, 1997, 1996 and 1995, respectively.

8. COMMITMENT:

During 1997, the Company entered into an agreement with a machinery manufacturer for the purchase of sheet metal punching and bending machines. The total purchase price of the machines is $3,300. The purchase price will be financed through a long-term note with a finance company.

Board of Directors

Norman H. Asbjornson
President and Treasurer
AAON, Inc.

William A. Bowen
President, The Bowen Company
Tulsa, Oklahoma
(Financial Consulting)

John B. Johnson, Jr.
Member, Johnson, Allen,
Jones & Dornblaser
Tulsa, Oklahoma
(Law Firm)

Joseph M. Klein
President, CCI Corporation
(Truck Parts & Service, OEM Heavy Duty Trucks)

Richard E. Minshall
President, Capital Advisors, Inc.
Tulsa, Oklahoma
(Investment Advisory Firm)

Anthony Pantaleoni
Partner, Fulbright & Jaworski L.L.P.
New York, New York
(Law Firm)

Charles C. Stephenson, Jr.
Chairman, Vintage Petroleum, Inc.
(Oil & Gas Production & Exploration)

Officers

Norman H. Asbjornson
President and Treasurer

Robert G. Fergus
Vice President

William A. Bowen
Vice President – Finance

John B. Johnson, Jr.
Secretary

Corporate Data

Transfer Agent and Registrar
Progressive Transfer Company
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Salt Lake City, Utah 84117

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General Counsel
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Executive Offices
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Tulsa, Oklahoma 74107

Common Stock
NASDAQ–AAON

Website Address
http://www.aaon.com

AAON Proudly Acknowledges the Dedication and Determination of Our Employees Whose Efforts Contribute Immeasurably To Our Success.

TYRONE ABERCROMBIE
MARTHA ACOSTA
JARROD ADAMS
GARY ADAMS
BEN ADKINSON
STEPHEN ALCORN
WILIE ALEXANDER
KINDELL ALEXANDER
JASON ALLEN
JONNIE ALLEN
MICHAEL ALLEN
MICHAEL AMBURGEY
JIM AMENT
CHARLES ANDERSON, JR
DALE ANDERSON
DAN ANDERSON
ERASMO ARENAS
NORMAN ASBJORNSON
SCOTT ASBJORNSON
GARY ASHMORE
JENKINS AUGDAHL
DWIGHT AUSTIN
TOYIN PAUL BABATUNDE
NORA BACKUS
FAISAL BAIG
DAVID BAKER
CAROLYN BARBER
JOSEPH BARBERA
BARRY BARKINS
MICHAEL BASS
CURTIS BATTLE
WENDY BAXLEY
BRENDA BEAN
CLIFFORD BEAR
CHERYL BEAVER
NICHOLAS BECRAFT
DEBORAH BEHARA
TERRELL BELL
EARL BELL
PATRICK BELMER
DOYLE BELT
ISAAC BENN
ROY BENTON
CARMEN BERROSPE
TIMOTHY BERRY
JOSEPH BERRY
HANK BIERWIRTH
HARRISANA SUE BISHOP
JAMES BLACK
JIMMY BLACKBURN
DEBORAH BLAKLEY
BRANDON BLALOCK
JIM BLEVINS
RICHARD BOBO
HAROLD BOGGS
JAMES BOND
JOHN BONICELLI
MICHAEL BONNER
DANIEL BOONE
WILLIAM BOWEN
JAMES BOWMAN
JOHN BOYD
BOOKER BRAGGS
JIMMIE BRASHEAR
ERIC BRAUN
SCOTT BRENNEMAN
SUSAN BRESEE
STEVEN BREWER
CURTIS BRICE
CHARLES BRITTENHAM, JR
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FRED BUNTON
ROBERT BURCH
ROBBYE BURK
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CEDRIC BUSH
JOHN BUTLER
WALTER BUTLER
OSCAR CADENA
URIAL CALDWELL
ARTHUR CANDLER
JENNIFER CANTRELL
VICKIE CARRINGTON
WILLIAM CARTER
AUSTIN CARTER
TWYLA CATO
ROBIN CAVANAUGH
PHAYUANH CHAREUNSOUK
DENNIS CHASTEEN
BOB CHATHAM
RUBEN CHAVEZ
DALE CHERRY
DANIEL CHERRY
PAUL CHERRY
DONALD CHISHOLM
CARRIE CLARK
MICHAEL CLARK
MORRIS CLARK
RAYMOND CLEVELAND
WILLIAM CLEVELAND
KENNETH COCHRAN
WILLIAM COCHRAN
NICKY RAY COLE
PENNY COLE
ROSE COLE
LEVI COLSTON
JONATHAN COMEE
CLINT CONDREN
CLARENCE CONRAD
CLARENCE COOK
ELAINE CORKHILL
JUAN CORTEZ
PATRICIA COSPER
AMBROSE COX
BILLY COX
CHRISTINE COX
JOHN COX
RICHARD CRAITE
LINDA CRAMER
MELVIN CRAMER
KAREN CRANK
MIKEL CREWS
LEON CROOK
VERONICA CROSBY
CLARK CROSBY, JR
DARRELL CROW
ROBERT CROWELS
ODIS CRUMPTON
JAMES CUMMINGS, JR
ROBERT CUMMINGS
BRIAN CUNNINGHAM
JEFF CURLESS
GENE CURTIS
GWENDOLYN DANIELS
LORETTA DARLING
CARLA DAVIES
ANDREA DAVIS
ARLINDA DAVIS
CARLA DAVIS
CAROLYN ANN DAVIS
NATHANIEL DAVIS
RHONDA SUE DAVIS
RICHARD DAVIS
SCOTT DAVIS
THOMAS DAVIS, II
DAWN DAY
JAMES DAY
GWENDOLYN DECKARD
BOBBY DEGRAFFENREID
JUANA DELOBO
CHARLES DEWEESE
FERNANDO DIAZ
ANGELA DICKMAN
SHELLY DOBBS
JESSIE DOBSON
HOMER DODD
KERRY DODD
PRINTISS DORSEY
RON DOTY
HAROLD DOUGLAS
JOHN ADAIR DOWNEY
THOMAS DREADFULWATER
MAYA DREW
MICHAEL DREW
MICHELLE DREW
JERROLD DUBBS
JOSEPH DUBBS
JOSEPH DUBUC
THEODORE DUKE
RANDY DUNAWAY
LINDA DUNEC
RYAN DUNLAP
DONALD DUNN
PAMELA DUNN
RALPH DURBIN
RANDY DWIGGINS
VICKI EDWARDS
BETTY ELI
ALTON ENGE
TINISHA ENGLISH
KENNETH RAY ERVIN
TINA ESKRIDGE
GILDA ETUMUDOR
RONALD EVANS
TOMMIE EWANS
BOB EWING
MARK EWING
KENNETH FAIRLEY
SHAWN FAIRLEY
WEI FANG
CHRISTY FAULCONER
BOBBI FELKINS
ROBERT FERGUS
DARRELL FERGUSON
ELIZABETH FERGUSON
PEDRO FERNANDEZ
SHANNON FLENNER
HARRY FLETCHER
CHRISTOPHER FOBELL
RUDY FOGLE
ANITA FOGLEMAN
KENNETH FONTENOT
SHARON FONTENOT
DON FORBES
DERRICK FORT
JOANN FOSTER
DANNY FOUNTAIN
KENNETH FOYIL
LINDA FRANKLIN
MARY ELLEN FRANKLIN
LINDA FREEMAN
TERESA FREEMAN
JOHNNIE FAYE FRIESZ
RORY GABRIEL
BRYANT GAHAGAN
CURTIS GANN
LEON GANN
MARIA GARCIA
PEGGY GARLAND
JUSTIN TODD GARLAND
GEORGE GASPAR
ALMA GAYTAN
DAPHNE GEORGE
LLOYD GEORGE
JERRY GEROW
CARLTON GILFORD
TYLER GILLIAM
HENRY GOLDSTON
MIGUEL GOMEZ
SUSANO GONZALEZ
JERRY GOODALE
MICHAEL GOODMAN
BARRY GOODSON
JANA GORMAN
CHRISTOPHER GORTON
BEVERLY GOSS
DANA GRAVES
RICHARD GREEN
CASEY GREER
PRINCE GRESHAM
STEVE GRESHAM
JEWEL GRIFFITH
RONALD GRIMES
FRANKIE GROGAN
PATRICK GROGAN
GEORGINA GUZMAN
NANCY HACKNEY
JOHN HAGGERTY
ANITA HALE
JACK HALL
KELLY HALL
SCOTT HAMILTON
SAM HAMMOUD
PHILIP HAMPTON
STEVEN HAMPTON
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CARMEKA HARDING
MARSHALL HARNDEN
DANIEL HARRELL
DEBRA HARRIS
JACOB HARRIS
MICHELLE HARRIS
ROBERT HARRIS, JR
KENNETH HAVARD
MARCUS HAYNES
SHANNON HAYSMER
DANIEL HENDERSON
ROBERT HENDERSON
STEVEN HENLEY
JAMES HENSLEY
ARIEL HERNANDEZ
FRANCISCO HERNANDEZ
MARIA HERNANDEZ
TAKEO HIGA
DEWAYNE HIGHTOWER
JACOB HILL
MARCELLA HILL
ROBERT HOBACK
JESSE HODGE
HAROLD HOLDEN
ANTHONY HOLLINS
DONNA HOLLOWAY
DEBBIE HOLT
RODGER HONEYCUTT, JR
HEATHER HORNER
STANLEY HORTON
DAN HOSS
JERRY HOUSTON
LARRY HOWARD
RAMONA HOWELL
CROCKETT HUDDLESTON
LYDIA HUDSON
DIMAS HUERTA
LARRY HUFFMAN
BILLY HUGHART
CANDACE HULL
RONALD HUTCHCRAFT
GARY HUTCHINS
SAMUEL INGRAM
LOREN IRONS
TIM IRWIN
JIMMY ISAAC
HAROLD ISLAND
SELENA ANN ISOME
BETTY IVY
BELINDA JACKSON
BEVERLY JACKSON
McKINLEY JAMES
CHRIS JENTZSCH
GENELLE BEA JIMBOY
CATHRYN JOHNS
GREGORY JOHNS
MANGO JOHNS
ED JOHNSON
PAUL JOHNSON
KEVIN JOHNSON
RUDOLPH JOHNSON, SR.
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ANGELA JONES
FELIPE JONES
MALCOLM JONES
TERRY JONES
CURTIS JOSIE
RICHARD KEATON
RANDALL KEENER
BRIAN KELLEY
HAROLD KEMPKES
LARRY KENTON
GARY KING
RUSSELL KING
SHONERIC KING
REBECCA KNIGHT
RAYMOND KOLLOCK
JAMES KOSS
KUMAR KRISHNAN
JOHN LANCASTER
DEBORAH LANE
ROBERT LANE
JOEY LANKFORD
GLEN DALE LATHAN
RICHARD LAWSON
RONALD LAWSON
DAVID LAYSON
JACKIE LEE
QUENTIN LEE
PETE LEININGER
JAMES LENIHAN
PATRICIA LENNOX
ANGELA LEONARD
KEVIN LESTER
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NANCY LEWIS
JEREMY LILLY
JERRY LINCOLN
RAQUEL LISCANO
JERRY LITTLES, JR
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MARGARITO LOPEZ
RICARDO LOPEZ
PAUL LOWERY
JEREMY LUCITO
RICHARD LUDWIG
JANET LUMPKIN
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SHELDON MACK
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DON MADEWELL
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DAVID MAGEE, JR
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LATY MALAPHA
KENNETH MANN
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ROBERTO MARTINEZ
EARL MASHUNKASHEY
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ROBERT MAYFIELD
TRACY MAYFIELD
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DORIS McCLOUD
JEARL McCOMBS
ROY McCONNELL
RAY McCORMICK
THOMAS McCUNE
JAMES McELROY
MILTON McGOY
RICHARD McKINNEY
SUSIE McWILLIAMS
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KEVIN MENDENHALL
KEVIN MERIDETH
VIVIAN MEYER
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TONY MILLS, JR
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DOUGLAS MITCHELL
ERNEST MITCHELL
HEATH MITCHELL
TRACY MOBLEY
JAY MODISETTE
ROBIN MOLLE
LUKE MOMODU
CAMIE MONDAY
KIMBERLY MONDAY
EVERARDO MONSIVAIS
JO ANN MONTGOMERY
BARBARA JEAN MOORE
JOE MOORE
MATHEW MOORE
SHERRY MOORE
TONY MOORE
MARTIN MORENO
JACQUELINE MORRISON
MARCUS MORROW
CLAYTON MOTE
JOHNNY MUSGRAVE
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NATALIE NEILSON
ERIC NETTLES
SHAWN NEVELS
AN NGUYEN
NITA NICHOLS
JERRY NOLAN
LINDA NOLAN
SINHSACK NORINH
BERRI NORRIS
JAMES O'NEILL
JAMES O'NEILL, JR
GEORGE OEHMCKE
RAYMON OSBORN
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STEPHEN PARGETER
GERALD PARKER
SHIRLEY PARKER
JAMES PARRO
JASON PATE
TONI PATTERSON
RONNIE PATTON
VADEN PAULSEN
JERALD PAYNE
LARRY PEACOCK
CODY PECHANEC
VASIL PECHERSKIY
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JAMES PEEKS, JR
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JOSHUA PENROSE
JIMMY PENSE
SHELLY PETERSON
JACK PETRIN
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RONALD PIERCE
RICARDO PINEDA, JR.
RONALD PINGILLEY
KEVIN PITTSER
MORALEZ PIZARRO
BRANDON POLK
BRIAN POLM
MARK POOL
DAN POTTER
OSCAR POUND
RUDY POWELL
GREG POWERS
MARTIN PRADO
JOHN QUINTON
GARY RAINWATER
EVA RAMIREZ
JOSE RAMON
ROBERT RANDALL
LORADEL RAY
SANDRA READER
DIEGO REBOLLAR
MIGUEL REBOLLAR
JAMES REED
LYNN REED
FREEMAN REED, JR
EVERETT REITZ
DAVID RENEAU
LORI REYNOLDS
MICKEY REYNOLDS
ROY REYNOLDS
ROBERT RHEA
BALLARD RICE
ROBERT RICHARDS
ANDREA RICHARDSON
MILDRED RICHARDSON
BOYCE RICHIE
WILLIAM RICHMOND
JESSE RIDDLE
MICHAEL RIEDEL
TREVAN RILEY
JAMES RITCHIE
MICHAEL RITCHWOOD
JESUS ALBERTO RIVAS
MICHAEL RIVERA
MICHAEL ROARK
MIGUEL ROBLES
TIFFANY RODRIGUEZ
NORA RODRIGUEZ
JERRY ROGERS
JEFF ROLLINS
TERRY ROMBACH
ROBERT ROMO
JOHNNY ROSS
RONALD RUENGERT
AVA RUSSELL
MARTIN SALAZAR
FLOYD SALTSMAN
JOSE SANCHEZ
ROSA SANCHEZ
ANGELA SANTILLANO
LUIS SANTILLANO
GARY SAPP
WILLIAM SCHAROSCH
ROBERT SCHOOLEY
DENISE SCHRAMECK
DWAYNE SCHWARTZ
LISA SCOTT
KATHLEEN SEALS
SEAN SEELY
WENCESIAD SERNA
JAMES SEWARD
HENRY SHAMBURGER
STEFHAN SHANKS
STEVEN SHAW
KATHY SHEFFIELD
VIRGINIA SHELTON
DARRELL SHEPHERD
CARLA SHORES
TOI SIMPSON
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PAMELA SLATER
DAVID SLIEF
JACOB SLIMP
BRENDA SLOAN
LARRY SLONE
ALLAN SMITH
DENNIS SMITH
DORETHA SMITH
McARTHUR SMITH
SWEETIE SMITH
TAMMY SMITH
DENNIS SNOW
KEVIN SOUVANNASING
DONALD SPENCER
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MARINA STANDRIDGE
RICK STANDRIDGE
LAWANA STANE
LARRY STANTON
MICKY STANTON
ARTIS STARLING, JR
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GLENN STEFFY
BERT STEPHENS
DEBBIE STEPHENS
JOHN STEVENS
BRIAN STEWART
CARL STEWART
ROBERT STEWART
STEVE STEWART
TEDDIE STEWART
TOMMY STEWART
OLA STINSON
BRENT STOCKTON
BILLY STRENGTH
NATHAN STRONG
GARY SWARER
PAUL SWEET
MARIA SWIGER
JAMES TABER
JOE TART
JAMES TAYLOR
KEVIN TEAKELL
JERONE THOMAS
LEE CHARLES THOMAS
MARK THOMPSON
RICHARD TIPTON, JR
CHRISTOPHER TOLES
JORGE TORRES
UT TRAN
BRYAN TRIBBLE
TRACY LYNN TRUE
REX TRUSTY
NICHOLAS TUBBS
KATHERINE TULSA
RAYBERN TURNER
PERNELL UNDERWOOD
DONALD VANN
JOHN VANNESS
SCOTT VANTASSELL
MISTY VAUGHN
BLANCA VAZQUEZ
GARY VESPER
JOHN VILLALPANDO
CUONG VO
LINH VU
IVAN VYSOTSKY
JEREMY WADE
RODERICK WALKER
MATHEW WALLACE
NOLA WALTERS
KEVIN WARD
PERRY WARNER
JEANETTE WASHINGTON
GERALDINE WATSON
ARTHUR WATSON, JR
RYAN WATTS
JEREMY WEAVER
NORRIS WEBB
DELORIS WEBSTER
RAYMOND WEBSTER, JR
KENNARD WEDEL
SHAWN WELSH
CAROLYN WESLEY
DAVID WESLEY
SHARON WEST
DEBORAH WHITAKER
DENNIS WHITE
DARRELL WHITEHOUSE
DAVID WHITEHOUSE
STEVEN WHORTON
JACKIE WILES
JERRY WILES
ANGELA WILLIAMS
DONNA WILLIAMS
JIM WILLIAMS
THURMAN WILLIAMS
TONY WILLIAMS
JAMES WILLIAMSON
JOE WILLIS
JAMES WILSON
JANET WISE
JAMES WOODCOCK
ROSALIND WORKMAN
DALE WRIGHT
JASON WRIGHT
JIM WYRICK
TRAVIS WYRICK
DINAH YOUNGBLOOD
DENISE ZARICOR
PEDRO ZUNIGA